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LEGISLATIVE HISTORY

Public Law 86-10
H. R. 5247

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INDEX AND SUMMARY OF H. R. 5247

- Feb. 6, 1959 Sen. Wiley introduced and discussed S. 982 which was referred to the Senate Agriculture and Forestry Committee. Print of bill and remarks of Sen. Wiley.
- Mar. 4, 1959 Rep. Johnson, Wis., introduced and discussed H. R. 5247 which was referred to the House Agriculture Committee. Print of bill as introduced and remarks of Rep. Johnson.
- Mar. 5, 1959 Sen. Humphrey, McCarthy, Proxmire, and Wiley introduced S. 1289 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and remarks of Sen. Humphrey.
- Mar. 17, 1959 House committee ordered H. R. 5247 reported with amendment.
- Mar. 19, 1959 House committee reported H. R. 5247 with amendments. H. Report No. 232. Print of bill and report.
- Mar. 23, 1959 House passed H. R. 5247 as reported.
- Mar. 24, 1959 Senate committee reported H. R. 5247 without amendment. S. Report No. 143. Print of bill and report. (The bill had been referred to the Senate Agriculture and Forestry Committee earlier in the day, which is indicated on the print of the bill as reported).
- Mar. 25, 1959 Senate passed H. R. 5247 without amendment.
- Apr. 3, 1959 Approved: Public Law 86-10.

DIGEST OF PUBLIC LAW 86-10

INCREASED AUTHORIZATION FOR SPECIAL MILK PROGRAM . Amends
Public Law 85-478 so as to increase from \$75 million to
\$78 million the authorized maximum expenditure of CCC
funds during the fiscal year 1959 for the special milk
program.

THE HISTORY OF THE

REIGN OF THE EMPEROR
OF THE EAST INDIES
FROM THE YEAR 1600
TO THE YEAR 1700

1700

86TH CONGRESS
1ST SESSION

S. 982

IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 1959

Mr. WILEY introduced the following bill; which was read twice and referred
to the Committee on Agriculture and Forestry

A BILL

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal
5 year ending June 30, 1959, not to exceed \$75,000,000, and
6 for each fiscal year thereafter not to exceed \$85,000,000, of
7 the funds of the Commodity Credit Corporation shall be used
8 to increase the consumption of fluid milk by children (1) in
9 nonprofit schools of high school grade and under; and (2)
10 in nonprofit nursery schools, child-care centers, settlement
11 houses, summer camps, and similar nonprofit institutions
12 devoted to the care and training of children."

A BILL

To increase and extend the special milk program for children.

By Mr. WILEY

FEBRUARY 6, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

of 1958 have made it clear that they are attracted by the tax provisions of the Technical Amendment Act of 1958 relating to companies organized under the Small Business Investment Act of 1958. All of those tax benefits are related to the stock acquired by the small business investment companies through conversion of convertible debentures. Only a corporation may issue convertible debentures, and the final SBA regulations under the act specifically prohibit a small business investment company from acquiring an equity interest in an unincorporated business.

Under these circumstances it is clear that there is a built-in bias in favor of corporations seeking funds from the new small business investment companies. There are some 4.3 million small businesses in this country, but only 600,000 active corporations, both large and small. Thus, it must be assumed that at least 85 percent of the small businesses in this country are unincorporated. Query: With SBA holding small business investment companies to legal interest rates on straight loans, what inducement is there for a small business investment company to make a long-term loan to a company which presumably is more risky than normal?

Except for the pro bono publico type of company, it is clear that the vast majority of small business investment companies are going to be concentrating their investments in convertible debentures of small corporations. Such investments will give the small business investment company tax-free dividends on conversion into stock and ordinary losses, should they be incurred by the small business investment company on stock acquired through conversion.

The amendment of section 243 of the 1954 code granting small business investment companies a 100 percent dividends-received deduction actually gives them a 15-point advantage over conventional corporations which already receive an 85 percent dividends-received deduction. It is submitted that in order to counterbalance this built-in bias in favor of corporate borrowers, some provision be made for a tax deduction on a portion of the interest received by a small business investment company on long-term loans. For example, 15 percent of the interest received by a small business investment company on long-term loans could be tax exempt, thus counterbalancing the 15-point advantage which will be enjoyed by small business investment companies on dividends received on stock acquired through the conversion of convertible debentures. It would be reasonable to expect that such an advantage would encourage small business investment companies to make long-term loans to the more than 85 percent of small businesses which are unincorporated.

Proposed solution

Add a new section 249 to subtitle A, chapter 1B, part VIII, Internal Revenue Code of 1954, to read as follows:

"SEC. 249. Deduction for a portion of interest received by small business investment companies.

"(a) Amount of deduction.—In the case of a small business investment company operating under the Small Business Investment Act of 1958, there shall be allowed as a deduction an amount equal to 15 percent of the interest received on long-term loans made pursuant to section 305 of the Small Business Investment Act of 1958."

ACCUMULATING EARNINGS TAX

Problem

Many potential investors in small business investment companies have been concerned about the possible imposition of the accumulated earnings tax under section 531 of the 1954 Internal Revenue Code.

It is submitted that this tax should not apply to small business investment companies so long as their accumulated earnings

are reinvested in long-term loans or equity investments as provided under the Small Business Investment Act of 1958. Efforts to obtain assurances from the Internal Revenue Service that section 531 will not apply where earnings are reinvested have been unavailing to date.

While this problem should not be acute for small business investment companies, at least during the early years of their operations, potential investors want to know now whether the companies will ever be subject to the section 531 tax, and it is submitted that they are entitled to know. In light of the reluctance of the Internal Revenue Service to commit itself on this question, it appears that legislation is in order.

Proposed solution

Amend section 532(b) of the 1954 Internal Revenue Code by adding at the end thereof the following new subsection:

"(4) A small business investment company organized and licensed by the Small Business Administration under the Small Business Investment Act of 1958, provided 90 percent of its accumulated earnings and profits are invested as authorized by said act."

EXPANSION OF SPECIAL SCHOOL MILK PROGRAM

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to expand the special school milk program.

The proposed legislation, establishing the special milk program on a permanent basis, would provide that for years following fiscal 1959, \$85 million, instead of the present \$75 million, would be provided for the special milk program.

Over the years the school milk program has tremendously improved the health of our school children, as well as added supplemental nourishment to the diets of those in nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

The record in our Nation's schools is particularly impressive. In fiscal year 1958, for example, over 4,385 schools and child-care institutions in Wisconsin served more than 74.5 million half pints of milk. Nationally, 76,478 such institutions served more than 1.9 billion half pints of milk.

According to reports, the program for fiscal year 1958 is running ahead of the previous year.

In addition to this splendid record of improving the health of the Nation's boys and girls, this program has provided an excellent outlet for surplus milk in a great many communities.

I respectfully urge our colleagues on the Agriculture Committee to consider this as soon as possible, so that favorable consideration can be given by the Congress at an early date.

I request unanimous consent to have the bill printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 982) to increase and extend the special milk program for children, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and

Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$75,000,000, and for each fiscal year thereafter not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

DESIGNATION OF LINCOLN'S BIRTHDAY AS A LEGAL HOLIDAY

Mr. JAVITS. Mr. President, I introduce for myself and the junior Senator from Illinois [Mr. DIRKSEN] two bills to establish Lincoln's birthday as a legal holiday in the District of Columbia and in Federal offices throughout the Nation. I ask unanimous consent that the bills may lie on the table until February 12, in order that additional Senators might join in their sponsorship.

The United States is this year commemorating the sesquicentennial of Lincoln's birth in 1809, in accordance with legislation enacted by Congress. It was truly stated of our great Civil War President, on his passing, that "Lincoln is now for the ages." It is in this spirit that we should now annually mark his birth date and rededicate ourselves to the principles for which he stood.

Now, almost a century after Lincoln's death, the wounds and sectional schisms of the Civil War have largely healed; Lincoln belongs to the entire Nation, to the entire American people, and should be so honored. His rise to national leadership from humble beginnings has come to symbolize the American dream.

His warmth of spirit, his deep concern for his fellow man, his gentle humor, and the high principles for which he labored and died have served equally to inspire the peoples of the world as it has done our own people. Lincoln, the 16th President, is the hero of all the free peoples; a beloved symbol internationally of the American spirit of equality and fair play. Lincoln's memory should have this further recognition in his native land.

Lincoln's devotion to liberty for the individual and to obtaining for him political equality and equality of opportunity are well known. His efforts at conciliation with the South, his plans to bring the blessings of liberty and its enjoyment to all Americans, and his plans to reunite the American people were unhappily cut short by an assassin's bullet.

President Lincoln bespoke the spirit which moves many of us today when he stated in his second inaugural address:

With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive to finish the work we are in.

He was a man whose principles called for the support of measured progress in the field of freedom for the individual with which he is most closely identified by history. It is our fervent hope that

this measured progress may continue in the same spirit which he—and many of his southern countrymen such as Gen. Robert E. Lee—would have had it continue.

While Congress does not establish national holidays, it is empowered to legislate in this regard for the District of Columbia and for Federal offices. The nine holidays already established by the Congress are New Year's Day, Inauguration Day (every 4 years), George Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day.

I hope that enactment by Congress of the proposed legislation will set the example for the 18 States which do not observe February 12 as a legal holiday.

The bills are cosponsored by the distinguished junior Senator from Illinois [Mr. DIRKSEN], in whose State Lincoln made his home, and from which he came to the Presidency of the United States.

By establishing Lincoln's birthday as a legal holiday Congress would to the limit of its powers be setting an example to the States which have not so honored Lincoln.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will lie on the desk, as requested by the Senator from New York.

The bills, introduced by Mr. JAVITS (for himself and Mr. DIRKSEN), were received, read twice by their titles, and referred as indicated:

To the Committee on the District of Columbia:

S. 985. A bill to make Abraham Lincoln's birthday a holiday in the District of Columbia for the purpose of certain laws relating to negotiable instruments, and laws relating to the payment of additional compensation for holiday work by members of the Metropolitan Police Force and the Fire Department of the District of Columbia.

To the Committee on the Judiciary:

S. 986. A bill making the birthday of Abraham Lincoln a legal holiday.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND RELATED ACTS

Mr. MORSE. Mr. President, last year I introduced Senate bill 1313, a railroad retirement and unemployment insurance bill. The bill passed the Senate, but failed to come to a vote in the House in the closing days of the last session of Congress, because of a parliamentary procedural difficulty.

This year I reintroduced the bill, which is now before the Senate Committee on Labor and Public Welfare. I refer to Senate bill 226.

Last year I also introduced, by request, on behalf of the Association of American Railroads, a bill proposed by the railroad carriers, which was considered by the Committee on Labor and Public Welfare. I have the honor of being chairman of the Subcommittee on Railroad Retirement.

This morning Mr. Daniel Loomis, the very able president of the Association of American Railroads, asked me if I would again, by request, introduce the bill pro-

posed by the Association of American Railroads, to be accompanied by a statement in explanation of the bill submitted by Mr. Loomis as president of the Association of American Railroads.

As chairman of the Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare, I am delighted to introduce this bill at the request of the association, and I assure the association that its introduction is no pro forma matter with me.

I send the bill to the desk and ask that it be appropriately referred and printed in the RECORD at this point as a part of my remarks, together with the statement of explanation submitted by Mr. Loomis.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 987), to amend the Railroad Retirement Act of 1937, the Railroad Unemployment Insurance Act, the Internal Revenue Code, the Social Security Act, and for other purposes, introduced by Mr. MORSE, by request, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

SECTION 1. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out "3.04", "2.28", and "1.52" and inserting in lieu thereof "3.19", "2.39", and "1.60", respectively; and (2) by striking out "\$200" and inserting in lieu thereof "\$250".

(b) Section 3(c) of such Act is amended by inserting after "or in excess of \$350 for any month after June 30, 1954," the following: "and before July 1, 1959, or in excess of \$400 for any month after June 30, 1959".

(c) Section 3(e) of such Act is amended by striking out "\$4.55" and "\$75.90" and inserting in lieu thereof "\$4.78" and "\$79.70", respectively.

SEC. 2. (a) Section 5(f) (2) of the Railroad Retirement Act of 1937 is amended by striking out "and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of \$300 for any month before July 1, 1954, and in the latter case in excess of \$350 for any month after June 30, 1954)," and by inserting in lieu thereof the following: "plus 7 per centum of his or her compensation paid after December 31, 1946, and before July 1, 1959, plus 7½ per centum of his or her compensation paid after June 30, 1959 (exclusive of compensation in excess of \$300 for any month before July 1, 1954, and in excess of \$350 for any month after June 30, 1954, and before July 1, 1959, and in excess of \$400 for any month after June 30, 1959)."

(b) Section 5(h) of such Act is amended by striking out "\$33", "\$176", and "\$15.40" wherever they appear and inserting in lieu thereof "\$34.65", "\$184.80", and "\$16.17", respectively.

(c) Clause (A) (i) of section 5(1) (9) of such Act is amended by striking out the word "and" appearing after "July 1, 1954," and by inserting after "June 30, 1954," the following: "and before July 1, 1959, and any excess over \$400 for any calendar month after June 30, 1959".

(d) Clause (A) (ii) of section 5(1) (9) of such Act is amended (1) by inserting "and

before 1960" after "1954" where it first appears; (2) by inserting after "\$4,200" where it first appears the following: "or for any calendar year after 1959 is less than \$4,800"; (3) by striking out "\$350" and inserting in lieu thereof "\$400"; and (4) by striking out "and \$4,200 for years after 1954, by" and inserting in lieu thereof the following: "and \$4,200 for years after 1954 and before 1960, and \$4,800 for years after 1959, by".

(e) Section 5(1) (10) of such Act is amended by striking out "44", "11", "\$350", "\$15.40", "\$36.66", "\$27.50", and "\$14.66" wherever they appear and inserting in lieu thereof "46", "11.6", "\$400", "\$16.17", "\$38.49", "\$28.88", and "\$15.39", respectively.

SEC. 3. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before July 1, 1959, and all annuities under the Railroad Retirement Act of 1935, are increased by 5 per centum.

SEC. 4. (a) The amendments made by subsections (a) and (c) of section 1, and by subsection (b) of section 2 shall be effective only with respect to annuities (not including annuities to which section 3 applies) accruing for months after June 1959. The amendment made by subsection (a) of section 2 shall be effective only with respect to lump-sum payments (under section 5(f) (2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1959. The amendments made by subsection (e) of section 2 shall be effective only with respect to annuities accruing for months after June 1959 and lump-sum payments (under section 5(f) (1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1959. Section 3 shall be effective only with respect to pensions due in calendar months after July 1959 and annuities accruing for months after June 1959.

(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

PART II—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended by striking out "6¼", "December 1, 1954", and "\$350" and inserting in lieu thereof "6¾", "June 30, 1959", and "\$400", respectively.

(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out "after December 31, 1954" wherever it appears and inserting in lieu thereof "after June 30, 1959"; (2) by striking out "\$350" wherever it appears and inserting in lieu thereof "\$400"; (3) by striking out "after 1954" and inserting in lieu thereof "after June 1959".

(c) Section 3211 of the Railroad Retirement Tax Act is amended by striking out "12½", "December 31, 1954", and "\$350" and inserting in lieu thereof "13½", "June 30, 1959", and "\$400", respectively.

(d) Section 3221 of the Railroad Retirement Tax Act is amended (1) by striking out "6¼ percent" and inserting in lieu thereof "6¾ percent"; (2) by striking out "after December 31, 1954" wherever it appears and inserting in lieu thereof "after June 30, 1959"; (3) by striking out "\$350" wherever it appears and inserting in lieu thereof "\$400"; (4) by striking out "after 1954" and inserting in lieu thereof "after June 1959".

SEC. 202. The Internal Revenue Code of 1954 is amended by adding the following new chapter after chapter 22:

"CHAPTER 22(A)—RAILROAD SICKNESS BENEFIT TAX ACT

"Subchapter.

"A. Tax on employees.

"B. General provisions.

86TH CONGRESS
1ST SESSION

H. R. 5247

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 1959

Mr. JOHNSON of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal
5 year beginning July 1, 1958, not to exceed \$80,000,000,
6 and for each of the two fiscal years thereafter, not to exceed
7 \$75,000,000, of the funds of the Commodity Credit Corpora-
8 tion shall be used to increase the consumption of fluid milk
9 by children (1) in nonprofit schools of high school grade
10 and under; and (2) in nonprofit nursery schools, child-care
11 centers, settlement houses, summer camps, and similar non-

1 profit institutions devoted to the care and training of
2 children.”

86TH CONGRESS
1ST SESSION

H. R. 5247

A BILL

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

By Mr. JOHNSON of Wisconsin

MARCH 4, 1959

Referred to the Committee on Agriculture

Authorized Corps of Engineers' flood control projects in the State of Ohio—Continued

Project	Estimated Federal cost	Allocated through fiscal year 1959	Balance to complete after fiscal year 1959	Project	Estimated Federal cost	Allocated through fiscal year 1959	Balance to complete after fiscal year 1959
Inactive—continued				Inactive—continued			
Portland.....	\$1,040,000	0	\$1,040,000	Strattonville.....	\$2,780,000	0	2,780,000
Powhatan Point.....	4,720,000	0	4,720,000	Zanesville.....	8,110,000	0	8,110,000
Ripley.....	1,940,000	\$8,000	7,932,000	Eagle Creek Reservoir.....	12,700,000	\$100,000	\$12,600,000
Sardis.....	285,000	0	285,000	Total.....	416,851,600	118,161,600	298,690,000
Sciotoville.....	1,460,000	0	1,460,000				
South Point.....	992,000	0	992,000				

¹ Funds for these projects are included in the President's budget for fiscal year 1960 as follows:

Project:	Fiscal year 1960 budget allocation
Roseville (to complete construction).....	\$284,000
Dillon Reservoir (continue construction).....	5,160,000
Shenango River Reservoir (continue preconstruction planning).....	150,000
West Branch Mahoning River Reservoir (complete preconstruction planning).....	229,000

² Authorized projects which require reanalysis of their present economic value. Cost data not current.

³ Projects which probably will not be undertaken because of physical or economic changes in the project area. Cost data not current.

INCREASING COMMODITY CREDIT CORPORATION FUNDS

(Mr. JOHNSON of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD and to include certain tables.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, today I am introducing two bills that would increase the amount of Commodity Credit Corporation funds which could be used for the special milk program. I have recently learned that the program has grown to the point where many States will have to curtail operations in this field for the remaining months of the school year unless more funds are made available. In addition, the uncertainty over funds will seriously hinder the summer camp milk program, for now is the time when camp managers begin to make their food plans.

The special milk program is one of the most successful programs of the Department of Agriculture. This year, over 2 billion half pints of milk will be consumed under the plan. Added to the 2 billion half pints used in the school lunch program, this represents about 3.5 percent of all the fluid milk consumed by our nonfarm population. Around 80,000 schools and camps are taking part in the milk program, and about 22 million children are drinking milk at school either under the school lunch program or at recess breaks as part of the special milk plan.

My first bill proposes that the authorization for the special milk program for the fiscal year ending July 1, 1959, be increased from \$75 million to \$80 million. The second bill provides for future expansion of the program as well as for a temporary increase for fiscal 1959. Under the provisions of this bill, \$80 million would be authorized to carry the program through this fiscal year, and the funds would be increased to \$85 million for both 1960 and 1961.

Frankly, I can think of no finer investment than this one to insure that our children and our dairy industry continue to receive the full benefits of the special milk program. To my way of thinking, it is far better to use CCC funds to encourage children to drink more milk than to use the money to buy surplus butter, cheese, and dry milk. That is

the choice we are facing—more money for the special milk program or more price-support purchases of dairy products.

Although the funds for the special milk program come under the Department of Agriculture budget, I do not feel it is fair to charge the cost of this program to the farmers. Here is one farm program that does more good for the city children than it does for farm kids.

Few responsible citizens will quarrel with the idea that the kids of this country are entitled to an adequate supply of the world's most complete food—milk. That is why the cost of this humanitarian program should not be lumped with the cost of Government purchases of surplus food, as is now being done. This kind of accounting presents an untrue picture of the expense of the price-support program, a picture which is grossly unfair to our farmers.

I have a chart which shows the allocation by States of present funds for the special milk program, the estimated needs for the current fiscal year and the indicated deficit. I would like every Congressman to have chance to check this chart to see the situation in his State. Under leave to extend my remarks, I want to include the chart in the RECORD:

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies:			
Alabama.....	\$1,075,610	\$1,095,680	\$20,070
Alaska.....	17,715	18,675	960
Arizona.....	326,033	357,223	31,190
Arkansas.....	641,539	658,127	16,588
California.....	7,211,353	7,892,289	680,936
Colorado.....	513,697	591,332	77,635
Connecticut.....	769,829	843,470	73,641
Delaware.....	177,535	194,735	17,200
Delaware State Hospital.....	14,864	14,864	-----
District of Columbia.....	380,504	392,668	12,164
Florida.....	1,104,956	1,214,806	109,850
Georgia.....	1,000,504	1,001,504	1,000
Hawaii.....	133,161	133,161	-----
Idaho.....	167,846	186,102	18,256
Illinois.....	5,694,117	5,694,117	-----
Indiana.....	1,708,650	1,809,618	100,968
Iowa.....	1,431,776	1,431,776	-----
Kansas.....	803,889	830,992	27,103

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959—Continued

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies—con.			
Kentucky.....	\$1,206,233	\$1,241,457	\$35,224
Louisiana.....	470,911	470,911	-----
Maine.....	256,697	264,220	7,523
Maryland.....	1,206,054	1,291,832	85,778
Maryland Department of Budget and Procurement.....	25,300	25,300	-----
Massachusetts.....	2,853,942	2,853,942	-----
Michigan.....	3,599,088	3,706,663	107,575
Minnesota.....	1,726,723	1,726,723	-----
Mississippi.....	959,693	1,023,745	64,052
Missouri.....	2,026,829	2,054,524	27,695
Montana.....	129,776	129,776	-----
Nebraska.....	356,542	356,542	-----
Nevada.....	54,363	57,544	3,181
New Hampshire.....	197,454	200,877	3,423
New Jersey.....	1,653,465	2,043,551	390,086
New Mexico.....	333,034	361,943	28,909
New York.....	8,902,259	9,104,966	202,707
New York Division of Standards and Purchases.....	139,928	139,928	-----
North Carolina.....	1,264,113	1,286,917	22,804
North Dakota.....	192,250	214,376	22,126
Ohio.....	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare.....	127,485	127,485	-----
Oklahoma.....	832,292	847,925	15,633
Oregon.....	467,474	488,766	21,292
Pennsylvania.....	2,998,416	3,327,468	329,052
Rhode Island.....	306,804	337,853	31,079
South Carolina.....	461,089	507,370	46,281
South Carolina Dairy Commission.....	66,338	66,338	-----
South Dakota.....	320,204	320,204	-----
Tennessee.....	1,536,638	1,536,638	-----
Tennessee Department of Agriculture.....	18,665	18,665	-----
Texas.....	2,215,279	2,274,710	59,431
Utah.....	155,619	155,619	-----
Utah Department of Public Welfare.....	7,175	7,175	-----
Vermont.....	143,975	143,975	-----
Virginia.....	1,294,325	1,307,975	13,650
Washington.....	1,101,728	1,134,620	32,892
West Virginia.....	365,913	365,913	-----
Wisconsin.....	2,109,633	2,211,730	102,097
Wyoming.....	146,102	146,678	576
Total State agencies.....	69,137,971	72,198,230	3,060,259
Area offices:			
Northeast.....	908,753	1,058,340	149,587
Southeast.....	391,806	402,082	10,186
Midwest.....	2,880,270	3,015,916	135,646
Southwest.....	630,418	630,418	-----
West.....	359,592	382,483	22,891
Total area offices.....	5,170,929	5,489,239	318,310
Grand total.....	74,308,900	77,687,469	3,378,569

¹ Division of funds among States is based on the pattern of expenditures in fiscal year 1958.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

FEDERAL HAZARDOUS SUBSTANCES LABELING ACT

(Mr. ROBERTS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ROBERTS. Mr. Speaker, I am today introducing legislation designated as the new Federal Hazardous Substances Labeling Act. The purpose of the bill is to provide nationally uniform standards for the adequate labeling of potentially hazardous substances sold in interstate commerce and intended or suitable for household use. The new bill would replace the present out-moded and out-dated Federal Caustic Poison Act.

This new bill covers substances which are toxics, corrosives, irritants, strong sensitizers, flammables, and also substances which generate pressure. The bill provides that the following information must appear on the label of a hazardous substance: First, name and place of business of manufacturer; second, the name of the product; third, a signal word, such as "danger," "warning," or "caution"; fourth, an affirmative statement of the principal hazard or hazards, such as "flammable," "vapor harmful," and so forth; fifth, precautionary measures describing action to be followed or avoided; sixth, first-aid treatment if there is a hazard through contact or exposure; seventh, "poison" for any substance meeting the definition of highly toxic; eighth, instructions for handling and storage of packages which require special care in handling or storage; ninth, the statement "Keep out of the reach of children."

This proposed bill is intended to provide a sound legislative pattern at the Federal level for informative precautionary labeling of hazardous substances intended or suitable for household use. Representatives of major industry groups, including toxicologists, chemists, physicians, company labeling personnel, and lawyers, have participated in a number of conferences on this subject over the past several years. A series of conferences was held last year with regulatory officials, physicians and others interested in this problem. This proposed bill was prepared after careful study to provide a model bill for uniform legislation in this field.

The use of this bill on the Federal level should provide a uniform precautionary labeling program which will adequately advise the consumer of the hazards in the use of the product, as well as make available immediate information for physicians who are called upon to treat cases of accidental injury. It should also provide a pattern which the States may follow in enacting similar legislation.

During the last Congress, three bills on this subject were introduced. These were S. 1900, introduced by Senator Bush of Connecticut; H.R. 7388, introduced by Representative CURTIS, of Missouri; and H.R. 9063, introduced by Representative WILLIAMS, of Mississippi.

Since introduction of these bills, considerable discussion has occurred among industry groups and with the American Medical Association to draft a new bill which would adequately protect the pub-

lic, especially young children who comprise the largest number of casualties from the use of hazardous substances.

The present bill incorporates many of the provisions developed by the American Medical Association. It differs from the bills such as H.R. 9063 introduced in the last Congress in the following principal ways:

First. H.R. 9063 used a definition of "poison" which is now widely used in existing legislation and in industry. It was developed by the Manufacturing Chemists' Association. This poison definition specified animal tests and required that the animals be observed for a period of 48 hours. The new bill has extended the 48-hour observation period to 14 days. This change in the bill should give greater protection to the public and assure proper testing to ascertain which substances should be designated as poisons.

Second. H.R. 9063 provided that one of the signal words, "danger," "warning," or "caution," should be used on the label. The new bill specifies that two categories of hazard are to be recognized in selecting the appropriate signal word. Those products which present the most hazard will bear the signal word "danger," while a lesser hazard will call for the word "warning" or "caution." Danger is used when the substances are extremely flammable, corrosive, or when they meet the requirements of animal test, of the same type as those used for the "poison" designation. All other hazardous substances carry the signal words "warning" or "caution." Animal tests to determine the use of the signal word "danger" is a new requirement as compared to H.R. 9063. It was agreed that these animal tests were necessary to determine with more certainty which substances should carry the signal word "danger."

Third. H.R. 9063 did not cover "strong sensitizer." Strong sensitizers are now included in the new bill as hazardous substances and are defined in section 2 (k). Strong sensitizers are required to be labeled after the Secretary of Health, Education, and Welfare has found that the frequency of occurrence and severity of the reaction indicates a significant potential for causing hypersensitivity.

Fourth. The term "label" in H.R. 9063 has been redefined in the new bill. There is now a requirement that precautionary information must appear not only on the wrapper but also "on all accompanying literature where there are directions for use, written or otherwise."

Fifth. H.R. 9063 included radioactive substances in the definition of the term "hazardous substance," while the new bill has deleted radioactive substances from coverage. The reason for this action is that it is felt that such substances are more properly under the jurisdiction of the Atomic Energy Commission and, furthermore, there is a lack of technical knowledge necessary to properly regulate such products.

ENGINEERS REPORT ON COOSA-ALABAMA RIVER

Mr. ROBERTS. Mr. Speaker, I have spoken many times of the Coosa-Ala-

bama River system and its importance to the economy of the Nation and our State of Alabama.

Recently, I placed in the RECORD a letter that all members of the Alabama delegation forwarded to Gen. W. K. Wilson, Chairman of the Board of Rivers and Harbors, requesting that the Board consider the latest report on the development of this system at its next meeting on the 13th of March of this year. I also have previously stated that we hope to introduce an amendment to the public works appropriation bill to provide for some \$150,000 planning money for the Millers Ferry Dam below Montgomery.

We have received the following letter from General Wilson wherein he has stated that the project has been authorized since 1945 and that the report currently under consideration does not change the authority for the entire project or the ability of the engineers to proceed with construction of the work below Montgomery for which the plan is essentially firm. He further has stated that consideration of the report presently before the Board is not necessary.

In other words, Mr. Speaker, in analyzing the situation, General Wilson has indicated that the engineers are satisfied with the need for the development of the river system below Montgomery but have failed over a period of years to incorporate planning money in their request for funds. I believe it imperative to develop our water resources, and to this end, particularly in view of General Wilson's remarks, to request such funds as are necessary, namely, \$150,000 be incorporated in the public works appropriation bill to provide for the planning and design of Millers Ferry Dam.

There follows the letter:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., February 26, 1959.
HON. KENNETH A. ROBERTS,
House of Representatives.

DEAR MR. ROBERTS: I have received the letter of February 19 signed by you and other members of the Alabama congressional delegation in which you urge that the Board of Engineers for Rivers and Harbors consider the navigation report on the Alabama-Coosa River at its next meeting in March.

You request this action because of the importance of the project and in order that construction may be started at the earliest possible date. Since I believe there is some misunderstanding of the status of the Alabama-Coosa project with respect to authorization and availability for construction I would like to review this matter briefly.

The entire project for development of the Alabama-Coosa was authorized by the River and Harbor Act of March 2, 1945 (Public Law 14, 79th Congress) in accordance with plans being prepared by the Chief of Engineers. This included authorization of 9 foot navigation up the Alabama River to Montgomery and up the Coosa to Rome, Ga. The project was modified by the River and Harbor Act of June 1954 (Public Law 436, 83d Congress) to permit power development on the Coosa River under license from the Federal Power Commission. Under the basic authorization the Congress has appropriated funds for pre-construction planning or design of the three projects, Millers Ferry, Jones Bluff, and Claiborne, required for navigation on the Alabama River up to Montgomery.

86TH CONGRESS
1ST SESSION

S. 1289

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1959

Mr. HUMPHREY (for himself, Mr. McCARTHY, Mr. PROXMIRE, and Mr. WILEY)
introduced the following bill; which was read twice and referred to the
Committee on Agriculture and Forestry

A BILL

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal year
5 ending June 30, 1959, not to exceed \$80,000,000, and for
6 the fiscal year ending June 30, 1960, not to exceed
7 \$85,000,000, and for the fiscal year ending June 30, 1961,
8 not to exceed \$90,000,000, of the funds of the Commodity
9 Credit Corporation shall be used to increase the consumption
10 of fluid milk by children (1) in nonprofit schools of high
11 school grade and under; and (2) in nonprofit nursery schools,

- 1 child care centers, settlement houses, summer camps, and
- 2 similar nonprofit institutions devoted to the care and training
- 3 of children."

A BILL

To increase and extend the special milk program for children.

By Mr. HUMPHREY, Mr. McCARTHY, Mr.
PROXMIER, and Mr. WHEAT

MARCH 5, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

PROVIDES GUARANTEES

An annual review so import quotas can keep pace with U.S. growth, except that at all times domestic producers' share will be guaranteed.

Supporters of this approach—who have failed in the past to obtain import quotas, higher tariffs, subsidies or other aids for domestic extractive industries—believe it will give producers here and abroad, as well as consumers, stable prices and dependable supplies.

First public disclosure of this new approach came Saturday in Denver, at the annual meeting of the National Western Mining Conference.

Senator FRANK E. MOSS, Democrat, Nevada, disclosed that he and Senator JAMES E. MURRAY, Democrat, Montana, chairman of the Senate Interior Committee, "are in agreement that there should be, in the interest of national security, in the interest of employment in the metal and mineral mines of this Nation, and in the interest of the mining industry in general, a staff study to determine if it is advisable that Congress enact legislation patterned after the Sugar Act to assure at all times domestic production of the major minerals and metals."

STUDY WELL ALONG

The staff study, it is learned, is well along and prime movers supporting the program hope to have it completed shortly.

The administration's professed liberal trade policy, plus the Democratic leadership in Congress which also generally favors freer trade, have been the chief obstacles to protection for these industries.

Further, control of the key Senate Finance Committee and House Ways and Means Committee, through which quota and tariff legislation must go, has virtually assured defeat for these proposals in past years.

However, this sugar act approach may be able to bypass these two committees.

The Sugar Act itself, which is up for extension this year, is handled by the Agriculture Committees in the House and Senate. The hope is that the Interior Committees may be able to handle the new plan.

CITES NEW ATTITUDE

Supporters are also counting for help indirectly on the administration's weakening on import quotas—as in the case of lead, zinc, and oil—and its switch in attitude on international commodity problems.

State Department officials, it is learned, have been filled in on what details have been firming up on the minerals' program, but there is no indication what the official reaction will be.

The administration is not expected to be happy with this approach, but may find it difficult to oppose in light of the restrictive actions on lead, zinc, and oil and its willingness the past year to discuss—without making any commitments—international commodity problems on cocoa, coffee, lead, zinc, and copper.

Approaching the mining industries' problems this year in this fashion, sources say, may encounter additional advantages.

GRANTS TO STATES TO ASSIST IN PROVISION OF FACILITIES AND SERVICES FOR DAY CARE OF CHILDREN

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill entitled "The Day Care Assistance Act of 1959," to authorize a program of Federal aid for the day care of children outside the home not to exceed \$25 million annually with half that amount to be allotted to States on a matching dollar-

for-dollar basis and the remainder to be administered to impacted areas in which specific Federal activities like defense work or military bases have created a special need for such facilities.

State plans for day care centers and services are to meet standards set by the Department of Health, Education, and Welfare and on approval Federal funds would become available under the bill to assist in providing care for the children of working mothers and also for those children who require special attention because they or their parents are mentally or physically handicapped.

Hundreds of thousands of children throughout the United States will continue to be the chief losers so long as we fail to recognize that providing suitable day care for the children of working mothers is a national problem which urgently requires Federal aid to activate State and local efforts in this field and to back up the outstanding voluntary programs now in effect. Until a Federal program such as the one contemplated in my bill is enacted, we are not looking after the needs of these children in households where economic necessity forces the mother to work outside the home. In cases where adequate adult supervision is not available, children are exposed to influences which lead to juvenile delinquency and the serious rise in youth crime. Also, we are not meeting the needs of an expanding national economy which cannot fully utilize the highly trained skills and services possessed by thousands of American mothers with small children who may wish to join the work force.

Six and a half million to seven million children in the United States under the age of 12 have mothers who work outside the home. Initially, the great majority of them not now served would be the direct beneficiaries of professionally staffed, well equipped day care centers established by States and municipalities under a national program. It would also lend support to the activities pioneered by voluntary groups such as the Day Care Council of New York currently carrying so much of the burden in supplying essential facilities.

To categorically blame the waywardness of the children on the delinquency of the parents in homes where children do not receive sufficient care during the day, especially after school, is grossly unfair in many instances. One-fifth of our young working mothers have little choice but to hold down full-time jobs because they are either widowed, divorced, or separated and there is no male breadwinner in the household. In addition, in families where the husband's yearly salary is under \$1,500, at least one wife and mother out of every four is working to help supplement her family's meager income so that her children may receive the bare necessities. The percentage of cases where the mother leaves her children unattended so that she can earn money to purchase luxuries is very low.

Federal assistance for children's day care is not a new concept. The Lanham Act passed in the early 1940's set up such a program but it was allowed

to lapse after the close of World War II. However, there are approximately 2 million more women in our labor force today than there were during the record war production year of 1944 when civilian manpower and womanpower was fully mobilized. Today, one out of every three workers is a woman and the proportion of young working mothers is bound to increase as we step up our entire level of industrial and business activity to meet the cold war challenges, both economic and military, posed by the Soviet Union.

The national interest will demand to an increasing degree that child day care centers and services become an integral community function especially in highly industrialized areas where working mothers are contributing to our total defense effort. Federal impetus supplied through the operations of a sensibly scaled program, allotting half to its annual authorization of \$12.5 million to the States on a matching fund basis and the rest to federally impacted areas, offers the best means for attaining that objective.

Under the terms of the legislation, the Department of Health, Education, and Welfare is charged with the responsibility of administering the program through its Children's Bureau. The bill further provides that any of the \$12.5 million in matching funds granted to States for day care and not spent for that purpose, shall be repaid; also should any State find that it does not require all of these funds allocated to it, the Secretary of the Department may reassign such surplus amounts to other States. A system of appeal and judicial review of ruling by the Secretary is also provided.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1286) to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children, introduced by Mr. JAVITS, was received, read twice by its title and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO INCREASED OUTSIDE INCOME

Mr. HUMPHREY. Mr. President, I introduce a bill to amend title II of the Social Security Act so as to increase from \$1,200 to \$1,800 a year the amount of earned income a person may receive without having his social security benefits reduced.

The law now provides that persons who are 72 years of age or older may earn any amount without having their social security benefits reduced. For persons under 72, however, the maximum annual income per year which they may earn without losing any benefits is \$1,200. For each \$80 or fraction of \$80 over \$1,200 in yearly earned income, 1 month's benefits can be lost.

For example, a person who earns \$110 each month, loses 2 months' benefits

each year; a person earning \$175 each month, loses all his benefits.

I believe, Mr. President, that this present limitation on earnings is far too low. Few people would argue that social security benefits are so high that outside income is not only desired by beneficiaries, but in many cases is an absolute necessity to maintain a decent standard of living. To raise the earnings limitation by \$600 a year seems to me a most modest proposal.

I think it should be noted, also, Mr. President, that my bill would lower the barrier facing beneficiaries who do not wish to retire completely and would like to continue doing at least part-time work. Many of our older citizens have valuable skills acquired through long years of training and experience. Our Nation needs these skills, and we should be offering greater incentive to such people who do desire to work. My bill would be a step in this direction.

There is another point which also should be noted: Under present law, the \$1,200 annual income limitation pertains only to earned income, and not to pensions, dividends, interest, and insurance. For example, while a beneficiary with an annual income from investments of \$5,000 is entitled to full social security benefits, a beneficiary with an annual income of \$5,000 in the form of wages or net income from self-employment normally loses his benefits entirely.

There is, to my mind, a serious question, as to the justification for such a distinction. While my bill does not do away with the present differentiation between earned income and investment income, it does at least modify it.

For these reasons, Mr. President, I believe that my amendment would be a great improvement in the present law. I hope it will be favorably considered.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1288) to amend title II of the Social Security Act to increase from \$1,200 to \$1,800 the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. HUMPHREY. Mr. President, on behalf of myself, my colleague from Minnesota [Mr. McCARTHY], and the Senators from Wisconsin [Mr. WILEY and Mr. PROXMIER], I introduce, for appropriate reference, a bill that will make additional funds available for use in the special milk program for the balance of this fiscal year, and will provide for a needed expansion in 1960 and 1961.

It will be remembered that this special program to increase the consumption of milk by schoolchildren was first authorized in the Agricultural Act of 1954. In late June of 1958, Congress authorized a 3-year extension of the special milk program, with an annual authorization of \$75 million.

Previously, when I sponsored the extension of this program, I asked for an increasing authorization to provide for expanded school enrollment and participation. We now learn from the Department of Agriculture that the authorization provided last year is already proving insufficient.

The Department of Agriculture has revealed that State estimates of needs, compared to apportionment of the \$75 million, will result in a deficit in 38 States—amounting to an indicated total deficit of \$3,378,569 if the program were to be carried on at the current level until the end of this fiscal year.

Unless we increase the authorization soon, States will have to tell their schools to cut down the milk supply to children who need it.

Therefore, the bill I am introducing today asks for the addition of \$5 million to the current authorization, to wipe out the deficit for this fiscal year, and to increase the authorization for 1960 and 1961 by \$10 million and \$15 million, respectively, in order to provide for further expansion of school enrollment in the Nation.

Our school enrollment keeps going up as our population increases. We simply must realize that these health programs for our young people must be expanded, in order to keep pace with that growth.

I ask unanimous consent that a table, provided by the U.S. Department of Agriculture, showing the apportionment of funds, estimated State needs, and indicated deficit for fiscal 1959, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies:			
Alabama.....	\$1,075,610	\$1,095,680	\$20,070
Alaska.....	17,715	18,675	960
Arizona.....	326,033	357,223	31,190
Arkansas.....	641,539	658,127	16,588
California.....	7,211,353	7,892,289	680,936
Colorado.....	513,697	591,332	77,635
Connecticut.....	769,829	843,470	73,641
Delaware.....	177,535	194,735	17,200
Delaware State Hospital.....	14,864	14,864	-----
District of Columbia.....	380,504	392,668	12,164
Florida.....	1,104,956	1,214,806	109,850
Georgia.....	1,000,504	1,001,504	1,000
Hawaii.....	133,161	133,161	-----
Idaho.....	167,846	186,102	18,256
Illinois.....	5,694,117	5,694,117	-----
Indiana.....	1,708,650	1,809,618	100,968
Iowa.....	1,431,776	1,431,776	-----
Kansas.....	803,889	830,992	27,103
Kentucky.....	1,206,233	2,241,457	35,224
Louisiana.....	470,911	470,911	-----
Maine.....	256,697	264,220	7,523
Maryland.....	1,206,054	1,291,832	85,778
Maryland Department of Budget and Procurement.....	25,300	25,300	-----
Massachusetts.....	2,853,942	2,853,942	-----
Michigan.....	3,599,088	3,706,663	107,575
Minnesota.....	1,726,723	1,726,723	-----
Mississippi.....	959,093	1,023,745	64,652
Missouri.....	2,026,829	2,054,524	27,695
Montana.....	129,776	129,776	-----
Nebraska.....	356,542	356,542	-----
Nevada.....	54,363	57,544	3,181
New Hampshire.....	197,454	200,877	3,423

Footnotes at end of table.

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959—Continued

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies—Con.			
New Jersey.....	\$1,653,465	\$2,043,551	\$390,086
New Mexico.....	333,034	361,943	28,909
New York.....	8,902,259	9,104,966	202,707
New York Division of Standards and Purchases.....	139,928	139,928	-----
North Carolina.....	1,264,113	1,286,917	22,804
North Dakota.....	192,250	214,376	22,126
Ohio.....	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare.....	127,485	127,485	-----
Oklahoma.....	832,292	847,925	15,633
Oregon.....	467,474	488,766	21,292
Pennsylvania.....	2,998,416	3,327,468	329,052
Rhode Island.....	306,804	337,883	31,079
South Carolina.....	461,089	507,370	46,281
South Carolina Dairy Commission.....	66,338	66,338	-----
South Dakota.....	320,204	320,204	-----
Tennessee.....	1,536,638	1,536,638	-----
Tennessee Department of Agriculture.....	18,665	18,665	-----
Texas.....	2,215,279	2,274,710	59,431
Utah.....	155,619	155,619	-----
Utah Department of Public Welfare.....	7,175	7,175	-----
Vermont.....	143,975	143,975	-----
Virginia.....	1,294,325	1,307,975	13,650
Washington.....	1,101,728	1,134,620	32,892
West Virginia.....	365,913	365,913	-----
Wisconsin.....	2,109,633	2,211,730	102,097
Wyoming.....	146,102	146,678	576
Total State agencies.....	69,137,971	72,198,230	3,060,259
Area offices:			
Northeast.....	908,753	1,058,340	149,587
Southeast.....	391,896	402,082	10,186
Midwest.....	2,880,270	3,015,916	135,646
Southwest.....	630,418	630,418	-----
West.....	359,592	382,483	22,891
Total area offices.....	5,170,929	5,489,239	318,310
Grand total.....	74,308,900	77,687,469	3,378,569

¹ Division of funds among States is based on the pattern of expenditures in fiscal year 1958.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

Mr. HUMPHREY. Mr. President, I want to point out that California will be \$680,936 short of meeting its estimated milk fund needs this fiscal year. New Jersey has an estimated deficit of \$390,086; Ohio needs \$219,632; Rhode Island needs \$329,052; New York needs \$202,707.

Fortunately, we in Minnesota appear to have an adequate apportionment to fulfill our own needs; but we are just as much concerned that young people everywhere shall have the opportunity to participate in this milk program.

This special program was initiated in September of 1954; and in the first year almost 450 million half pints of milk were consumed by the schoolchildren. In the fiscal year 1956, as the program became more firmly established, more than 1,394 million half pints of milk were consumed. It is interesting to note that, in 1959, about 29 percent more schools and other outlets participated in the program than in 1956, and 50 percent more milk was consumed.

I ask unanimous consent that a table, prepared by the U.S. Department of Agriculture, be printed, at this point in the RECORD, so that all may readily see

how this program has expanded to reach more and more children.
There being no objection, the table was ordered to be printed in the RECORD, as follows:

SPECIAL MILK PROGRAM
Participation, milk consumption, and expenditures, fiscal years 1955-59

Fiscal year	Number of outlets participating	Milk consumption (½ pints)	Expenditures	Increase in expenditures over previous year
		Million	Million	Percent
1955.....	41, 094	449. 8	\$17. 1	
1956.....	62, 266	1, 394. 2	45. 9	168. 4
1957 ¹	71, 239	1, 752. 7	60. 5	31. 8
1958.....	76, 478	1, 918. 2	66. 3	9. 6
1959 ²	³ 80, 000	2, 100. 0	⁴ 74. 3	12. 1

¹ In addition to schools, program was extended by Congress to summer camps and other child-care institutions.
² Estimated.
³ Does not include summer camps. Summer camps in summer of 1957, 2,220; summer of 1958, 3,026.
⁴ Maximum funds available. State estimated needs for funds amount to \$77.7 million.

Mr. HUMPHREY. Mr. President, I feel that this proposal for the expansion of this valuable program merits immediate action. As a Member of the Senate Committee on Agriculture and Forestry, I shall urge that it be given priority. I trust that my colleagues will join with me in considering this one of the important moves we can make for the welfare and health of the nation's young people.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1289) to increase and extend the special milk program for children, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

PROHIBITION OF EAVESDROPPING IN CERTAIN CASES

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to prohibit eavesdropping under certain circumstances, and for other purposes. I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

Mr. President, the bill is designed to protect the right of privacy against unauthorized invasion and, at the same time, to facilitate the fullest use of scientific methods of crime detection by law-enforcement agencies. The bill represents the first effort in Federal legislation to deal comprehensively with the new methods of electronic monitoring of conversations and other communications.

Under the terms of the bill, unauthorized eavesdropping would be a Federal criminal offense if it occurred in any area under Federal jurisdiction, or was for the purpose of aiding or abetting the perpetration of any Federal offense, or involved the use of facilities of interstate commerce.

However, the bill contains detailed provisions under which law enforcement agencies can obtain court orders for

eavesdropping under procedures paralleling those applicable to warrants for searches and seizures.

One important provision of the bill would overturn the Supreme Court decision in the Benanti case and make it clear that evidence obtained by authorized State wiretapping would be admissible in Federal and State courts.

We cannot avoid coming to grips with this subject any longer.

While the present laws erect substantial and unreasonable impediments to effective police action against organized crime, they are almost entirely ineffective in dealing with blackmailers and other unscrupulous interlopers. This incredible situation demands legislative attention. I am hopeful that this bill will serve as a framework for consideration of needed revision of the law in this field.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1292) to prohibit eavesdropping under certain circumstances, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title 18 of the United States Code is amended by adding thereto a new chapter:

- "CHAPTER 28—EAVESDROPPING
- "Sec.
- "570. Definitions.
- "571. Eavesdropping prohibited.
- "572. Possession of eavesdropping instruments.
- "573. Ex parte order for eavesdropping.
- "574. Admissibility of evidence.
- "575. Exceptions.
- "576. Duty to report violations.

"§ 570. Definitions

"As used in this chapter—

"(1) 'Eavesdropping' refers to a situation in which a person—

"(a) not a sender or receiver of a telephone or telegraph communication willfully and by means of instrument overhears or records a telephone or telegraph communication, or aids, authorizes, employs, procures or permits another to do so, without the consent of either a sender or receiver thereof; or

"(b) not present during a conversation or discussion willfully and by means of instrument overhears or records such conversation or discussion, or aids, authorizes, employs, procures or permits another to do so, without the consent of the party to such conversation or discussion; or

"(c) who, not a member of a jury, records or listens to by means of instrument the deliberations of a jury or who aids, authorizes, employs, procures or permits another to do so.

"(2) 'Person' means any individual, partnership, corporation, or association including the subscriber to any telephone or telegraph service involved but excluding any law enforcement officer while acting lawfully and in his official capacity in the investigation, detection, or prosecution of crime.

"(3) 'Instrument' means any device, contrivance, machine, or apparatus or part thereof designed or used for acoustical detection including but not limited to wiretapping equipment, microphones, detecta-

phones, dictaphones, radio transmitters, and recorders.

"§ 571. Eavesdropping prohibited

"A person who engages in eavesdropping—

"(1) in the District of Columbia or any Territory or possession of the United States; or

"(2) for the purpose of aiding or abetting or perpetrating any Federal offense; or

"(3) where the conversation, discussion, or communication overheard or recorded is by wire or radio; or

"(4) for the purpose of obtaining information concerning any activity under Federal regulation; or

"(5) where the information overheard or recorded is to be transmitted in interstate commerce or outside the United States; or

"(6) where the instrument employed to overhear or record the conversation, discussion, or communication utilizes or involves facilities in interstate or foreign commerce, shall be fined not more than \$5,000 or imprisoned not more than one year and a day, or both.

"§ 572. Possession of eavesdropping instruments

"A person who has in his possession any eavesdropping instrument under circumstances evincing an intent to use or employ or allow the same to be used or employed for unlawful eavesdropping under section 571 of this chapter, or knowing the same to be so used, shall be fined not more than \$1,000 or imprisoned for not more than six months, or both.

"§ 573. Ex parte order for eavesdropping

"(1) An ex parte order for eavesdropping may be issued by any judge of any United States Court of Appeals or a United States District Court or any judge of the Municipal Court of Appeals for the District of Columbia or the Municipal Court for the District of Columbia or any Commissioner of the United States, upon oath or affirmation of an authorized agent of any Federal law enforcement agency that there is reasonable ground to believe that evidence of Federal crime may be thus obtained and particularly describing the person or persons whose communications, conversations, or discussions are to be overheard or recorded and the purpose thereof, and, in the case of a telegraphic or telephonic communication identifying the particular telephone number or telegraph line involved. In connection with the issuance of such an order the judge may examine on oath the applicant and any other witness he may produce and shall satisfy himself of the existence of reasonable grounds for the granting of such application. Any such order shall be effective for the time specified therein but not for a period of more than two months unless extended or renewed by the judge who signed and issued the original order upon satisfying himself that such extension or renewal is in the public interest. Any such order together with the papers upon which the application was based, shall be delivered to and retained by the applicant as authority for the eavesdropping authorized therein. A true copy of such order shall be retained in his possession by the judge issuing the same, and, in the event of the denial of an application for such an order, a true copy of the papers upon which the application was based shall in like manner be retained by the judge denying the same.

"(2) Orders for eavesdropping must be obtained before the eavesdropping commences, except as hereinafter in this section provided. A law enforcement officer may eavesdrop without a court order obtained, pursuant to this section only when he has reasonable grounds to believe (a) that evidence of crime may be thus obtained, and (b) that in order to obtain such evidence time does not permit an application to be made for such a court

order before such eavesdropping must commence. In any such case an application for a court order pursuant to this section must be made within twenty-four hours after such eavesdropping commenced. In computing said twenty-four-hour period legal holidays shall not be considered. The application for such a court order must contain, in addition to the requirements set forth in this section, the time when such eavesdropping commenced. If such application is granted, the order shall be made effective from the time the eavesdropping commenced. If the application is denied, the eavesdropping must cease immediately.

"(3) Except in any trial, hearing or other proceeding, a person who willfully discloses to any person, other than a carrier whose facilities are involved, or other authorized agent of any law enforcement agency, any information concerning the application for, the granting or denial of orders for eavesdropping, or the identity of the person or persons whose communications, conversations, or discussions are the subject of an ex parte order granted pursuant to this section shall be fined not more than \$1,000 or imprisoned not more than six months, or both.

"§ 574. Admissibility of evidence

"Evidence obtained by any act in violation of this chapter, and evidence obtained through or resulting from information obtained by any such act, shall be inadmissible for any purpose in any civil action, proceeding or hearing: *Provided, however,* That any such evidence shall be admissible in any disciplinary trial or hearing or any administrative action, proceeding or hearing conducted by or on behalf of any governmental agency.

"§ 575. Exceptions

"(1) Nothing contained in this chapter shall prohibit eavesdropping by any law enforcement officer or agency of any State or any political subdivision thereof, or the introduction in any court of evidence obtained by such eavesdropping, where the eavesdropping is authorized by the laws of such State and is carried out in conformity with such laws.

"(2) There may be introduced in any court of the United States evidence relating to the existence, contents, substance, purport, effect, or meaning of any communication by wire or radio which has been intercepted by any law enforcement officer or agency of any State or political subdivision thereof, where the interception of such communication was authorized by the laws of such State and was carried out in conformity with such laws.

"(3) Information obtained prior to the effective date of this chapter by any authorized agent of any Federal law enforcement agency through or as a result of the interception of any communication by wire or radio upon the express written approval of the Attorney General of the United States in the course of any investigation of any Federal offense shall, notwithstanding the provisions of section 605 of the Communications Act of 1934 (48 Stat. 1103), be deemed admissible, in evidence in any criminal proceedings.

"§ 576. Duty to report violations

"It shall be the duty of every carrier subject to the Communications Act of 1934 (48 Stat. 1103) to report to the law-enforcement agency having jurisdiction, any information coming to his attention with regard to violations of this chapter. Any willful violation of this section shall be punishable by a fine of up to \$500."

Sec. 2. The proviso contained in section 605 of the Communications Act of 1934 (48 Stat. 1103) is amended to read as follows: "*Provided, That this section shall not apply to the interception, receiving, divulging, publishing, or utilizing the contents of (a) any radio communication broadcast or transmitted by amateurs or others for the use of the general*

public or relating to ships in distress, or (b) any eavesdropping by any person in accordance with chapter 28 of title 18 of the United States Code."

SEC. 3. The Communications Act of 1934 (48 Stat. 1064), as amended, is amended by adding the following new section:

"§ 223. Authorized interceptions

"All carriers subject to the provisions of this chapter are hereby authorized to permit eavesdropping by any person in accordance with chapter 28 of title 18 of the United States Code."

SEC. 4. If any provision of this chapter or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this chapter and the applicability of such provision to other circumstances shall not be affected thereby.

READJUSTMENT OF SIZE AND WEIGHT LIMITATIONS ON FOURTH-CLASS MAIL MATTER

Mr. MONRONEY. Mr. President, I introduce for appropriate reference a bill to adjust the size and weight limitations on fourth-class—parcel post—mail matter. I feel strongly that this is important legislation urgently needed by the Post Office Department and by tens of thousands of small businesses—manufacturers, wholesalers, retailers, and service establishments—which must use parcel post regularly.

The legislation I propose would immediately reestablish a large measure of uniformity in the limits of size and weight of parcels mailed between all post offices in the United States. My proposal, if enacted by the Congress, would eventually bring a return to complete uniformity of permissible size and weight of parcel-post packages at the level which served the Post Office Department and the people of the United States so well through the 20 years preceding 1952.

In the closing weeks of the 85th Congress, I introduced a bill having the same objective of parcel-post size and weight uniformity as I now propose. The provisions incorporated in that bill, S. 3899, had been previously approved by the Post Office and Civil Service Committee as part of a general postal rates bill, now Public Law 85-426. The parcel-post size and weight provisions, however, were deleted by the Senate from the general postal rates increase bill to permit separate consideration. To that end I introduced S. 3899. Unfortunately, strictures of time before adjournment of the 85th Congress prevented Senate consideration of my proposal.

This present proposal, while directed to the same end of achieving parcel-post size and weight uniformity, differs from S. 3899 in the maximum limitations proposed.

In talking with mail users and postal officials in their home States, Senators have undoubtedly found, as I have in the State of Oklahoma, overwhelming demand for adjustment and standardization of size and weight limits on parcel post mail.

Remedy, so long overdue and so urgently needed by the Post Office Department and mailers, is contained in my present proposal. I hope other

Members will join me in curing this sorry situation early this session.

Parcel post provides a conveniently, reliable, and economical means for small package shipment all over the country. It is a major factor in the promotion of our Nation's commerce and trade. Parcel post brings buyers and sellers of the United States into close contact with each other no matter how far they may be separated by distance.

For small business, particularly, parcel post is an almost indispensable business tool.

Prior to 1952, for 20 years there had been one uniform regulation governing the size and weight of packages permitted to be shipped by parcel post to and from every post office throughout the United States. The Post Office Department and the users of parcel post conveniently geared their operations to that single uniform parcel post regulation.

Beginning with 1952, however, through the enactment of Public Law 199 of the 82d Congress, that single, uniform regulation was replaced by three differing parcel post regulations.

Operating confusion and heavy added expense has been experienced by both the Post Office Department and parcel post users as a result of Public Law 199. The Post Office Department suffered a net revenue loss in excess of \$70 million in the first year of operation of Public Law 199, according to testimony of Department representatives, to Congress.

The Department further informed Congress "that Public Law 199 (65 Stat. 610) imposing nonuniform weight and size limitations on parcel post has created operational difficulties, losses of postal revenues, and widespread public misunderstanding and dissatisfaction."

The users of parcel post through the intervening years have paid heavily in increased expense for labor and materials and in higher postal rates as a result of Public Law 199.

I was a member of the Post Office and Civil Service Committee when Public Law 199 was enacted by the 82d Congress. May I repeat in part my statement to the Senate in the 85th Congress in presenting S. 3899. My statement last year on the background of Public Law 199 applies equally to my present proposal except that the need for relief from the penalties of Public Law 199 has since become even more acute:

I am not very proud of the patchwork pattern of ratemaking that we provided in the bill, but it was the best that we could do at the time. There were various reasons why we had to provide for three distinct rates. The committee had no way of knowing how much difficulty they would cause.

Under Public Law 199 parcels shipped between first-class post offices in the first two zones (approximately 150 miles from point of mailing) were limited to 40 pounds and 72 inches combined length and girth. Parcels shipped between first-class post offices, zone 3 through zone 8, were limited to 20 pounds and 72 combined inches. We retained the old maximum limits of 70 pounds and 100 combined inches for parcels shipped between post offices other than those of the first class. In addition, we exempted agricultural products, books, and certain other items, so you might say that we really have four rates.

This was not good ratemaking and we realized it. However, we did not want to

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Rep. Poage criticized Secretary's farm policies. House committee ordered reported bill to increase expenditure authorization for special milk program. Rep. Cooley introduced bills to: Increase crop insurance premiums to cover administrative costs; Provide revolving fund for certain FHA loans; Extend automatic preservation of acreage allotment histories. Rep. Denton introduced and discussed bill to exempt REA from 1953 reorganization plan. Rep. Curtis, Mo., introduced and discussed bill to expand research and development in forestry.

HOUSE

- 1. DEBT MANAGEMENT.** Rep. Reuss criticized present debt management policies as leading to higher interest costs on the debt and not resulting in refinancing the debt with nonbank, long-term savers and urged that the objective must be to restore the confidence of investors in Government securities. pp. 3921-8
- 2. MILK.** The Agriculture Committee ordered reported with amendment H. R. 5247, to increase the authorized maximum expenditure for fiscal year 1959 under the special milk program. p. D173
Rep. Johnson, Wis., criticized the Maryland-Virginia Milk Producers Association for calling Wisconsin milk "tired old milk" and local rules which keep out "high-quality milk that family type Midwestern farmers" could deliver for less "than the local monopoly charges." pp. 3928-9
- 3. WATER POLLUTION.** Rep. Dingell stated that the Columbia River was polluted and that steps must be taken to end this threat to human health. p. 3929
- 4. SOIL BANK.** Received from this Department a report on the 1958 soil bank conservation reserve program. p. 3930

5. CIVIL DEFENSE. Received the Annual Report of the Federal Civil Defense Administration for fiscal year 1958. p. 3930
6. MILITARY CONSTRUCTION. The Armed Services Committee ordered reported with amendment H. R. 5674, to authorize certain construction at military installations including authorization to use foreign currencies under Public Law 480 for foreign military housing. p. D173
7. ELECTRIFICATION. The Public Works Committee ordered reported with amendment H. R. 3460, TVA self-financing bill. p. D174

SENATE

8. WATER RESOURCES. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee approved S. Res. 48, expressing the sense of the Senate that a committee should be established to study the development and coordination of water resources. p. D171

ITEMS IN APPENDIX

9. FARM PROGRAM. Extension of remarks of Rep. Poage criticizing the Secretary's farm policies, stating that these "policies have resulted in cost far and away beyond anything ever experienced under the much higher rigid supports of previous administrations. The Public is just now beginning to recognize that flexible supports, which were advanced to save money for the taxpayer and to reduce our surpluses have failed to do either," and inserting several tables on realized net income of farmers, appropriations for this Department, CCC price support losses, and farm prices and income. pp. A2286-8
Rep. Huddleston inserted an editorial, "The Law Is the Law Is Nuts," criticizing penalties assessed against farmers for overplanting acreage allotments. p. A2271
10. PUBLIC DEBT. Rep. Wright inserted several articles commending his proposal for a systematic plan for paying off the national debt. pp. A2266-7, A2267-8, A2270-1, A2274-4
11. UNEMPLOYMENT; HOUSING LOANS. Extension of remarks of Rep. Bailey discussing and inserting a letter from Rep. Teague on the unemployment situation in W. Va. which has resulted in the inability of many veterans to meet their payments on housing loans. p. A2267
12. FOREIGN TRADE. Rep. Lipscomb inserted an article, "East-West Trade Fight Lurks in Berlin Crisis -- Commerce May Be Secret Weapon of Khrushchev at Summit Conference." pp. A2276-7
13. WATER POLLUTION. Rep. Dingell inserted two articles discussing the problem of water pollution control. pp. A2277-8, A2304-5
14. FOREIGN AID. Rep. Fulton inserted an article, "Maintaining Security, supporting the President's mutual security proposals, and urging greater emphasis on economic aid for foreign countries. pp. A2295-6
15. WATER RESOURCES. Rep. Brooks inserted his address as president to the National Rivers and Harbors Congress discussing "problems affecting the water development program," and his recommendations for water resource development. pp. A2302-3

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HIGHLIGHTS: Senate debated area redevelopment bill. Sen. Symington criticized proposed cuts in school lunch program funds. House committee reported bill to increase expenditure authorization for special milk program. House debated Treasury-Post Office appropriation bill. House committee granted permission to file report on Interior and second supplemental appropriation bill. Sen. Wiley introduce and discussed bill to establish dairy research laboratory in Wis. Sen. McClellan introduced and discussed bill to permanently authorize transmittal of reorganization plans. Rep. Alger introduced and discussed bill to exempt from quotas wheat used on farm.

SENATE

- 1. AREA REDEVELOPMENT.** Began debate on S. 722, the area redevelopment bill. Agreed to a unanimous-consent resolution limiting debate on the bill beginning Mon., Mar. 23. pp. 4137-8, 4151-61
- 2. SCHOOL LUNCH.** Sen. Symington criticized the President's 1960 budget recommendation which "calls for a cut of nearly one-third -- \$45 million -- in the funds available for the school lunch program during the 1959 and 1960 school year," and inserted a letter he had received from the director of the Missouri school lunch program discussing "the plight of the school lunch program." pp. 4110-11
- 3. COMMITTEE ASSIGNMENT.** Sen. Kennedy was appointed to the Joint Economic Committee. p. 4083

4. WATER RESOURCES. Received a Mont. Legislature resolution urging enactment of legislation to authorize Federal construction of the Paradise Dam on Clark Fork River in Mont. p. 4084
5. FORESTRY; LANDS. Received a Colo. Legislature resolution urging enactment of S. 1032, to remove the 640-acre limitation on the transfer of Federal lands to the States for use for State park purposes. p. 4085
6. FOREIGN AFFAIRS. Received from the Foreign Relations Committee an interim report on its study of U. S. foreign policy (S. Rept. 118). p. 4086
7. FOREIGN CURRENCIES. Received from the Appropriations Committee a report on the use of foreign currencies by several Senate committees. pp. 4086-90
8. ATOMIC ENERGY. Sen. Neuberger inserted a speech by Sen. Anderson discussing the atomic energy program, including reactor construction and electric power generation developments. pp. 4102-5
9. UNEMPLOYMENT. Sen. Symington discussed the unemployment situation, and recommended extension of the unemployment insurance program and that something be done "about the practice of administered prices." p. 4111
10. AGRICULTURAL SCIENCE. Received from the President a certified copy of a protocol of amendment to the convention on the Inter-American Institute of Agricultural Sciences. p. 4120

HOUSE

11. MILK PROGRAM. The Agriculture Committee reported with amendments H. R. 5247, to increase by \$3,000,000 the authorized maximum expenditure for the fiscal year 1959 under the special milk program (H. Rept. 232). p. 4221
12. REA. H. R. 4147, to establish REA as an independent agency and H. R. 5746, to exempt REA from Reorganization Plan No. 2 of 1953, which were referred to the Agriculture Committee, were rereferred to the Government Operations Committee. p. 4217
13. APPROPRIATIONS. Debated the Treasury and Post Office Departments appropriation bill for 1960. pp. 4192-4201
The House report on the Treasury-Post Office appropriation bill for 1960 states: "The budget for 1960 proposes the inclusion of so-called annual accrued expenditures/limitations on six appropriations. Two of those are Coast Guard appropriations carried in the accompanying bill. The Committee has not, however, included the proposed accrued expenditure limitations." The report explains in detail the reasons for excluding such limitations.
The Appropriations Committee was given permission to file by midnight Friday, Mar. 20, reports on the second supplemental appropriation bill for 1959, and Interior and related agencies appropriation bill for 1960. pp. 4167-8
14. FLOOD CONTROL; EMPLOYMENT. Reps. Perkins and Kee criticized the President's program for water resource development in E. Kentucky and West Virginia and stated that increased appropriations for flood control projects would help alleviate the unemployment problem in these districts. pp. 4206-8
15. ELECTRIFICATION. Rep. Shelley stated that the U. S. Government has a responsibility first to American people when granting large purchase contracts and that

INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

MARCH 19, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

R E P O R T

[To accompany H.R. 5247]

The Committee on Agriculture, to whom was referred the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 5, strike out "\$80,000,000" and insert "\$78,000,000".

PURPOSE

The purpose of this bill is to increase by \$3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85-478. The law now authorizes the use of not to exceed \$75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to \$78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its present level.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support provisions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program

2 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled \$17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from \$17.1 million to almost \$46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type-A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses, and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totaled about \$650,000. Although camp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a much more adequate milk service for children.

The following table shows the growth of the program from its inception through fiscal year 1958. It is estimated that there are approximately 80,000 schools and other outlets participating in the program in the current (1959) fiscal year.

Special milk program participation and expenditures, 1955-58

	Schools, camps, etc., participating	Milk consumed (mil- lions of half pints)	Expenditures (millions of dollars)
1955.....	41,094	449.8	17.1
1956.....	62,266	1,394.2	45.9
1957.....	71,239	1,752.7	60.5
1958.....	76,478	1,918.2	66.3

INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM 3

The following table shows the scope of the program by States in the past 2 years. The figures show the number of schools and other outlets participating in November 1957 and November 1958 and also the distribution of milk in each State on those two dates.

SPECIAL MILK PROGRAM

Number of outlets participating and number of half pints reimbursed, November 1957 compared with November 1958, preliminary

	Number of outlets participating			Number of half pints reimbursed		
	November 1957	November 1958	Percent increase	November 1957	November 1958	Percent increase
				<i>Thousands</i>	<i>Thousands</i>	
Alabama.....	1,395	1,472	5.5	3,265	3,508	7.4
Alaska.....	24	25	4.2	52	54	3.8
Arizona.....	412	447	8.5	1,109	1,355	22.2
Arkansas.....	1,024	1,036	1.2	1,435	1,648	14.8
California.....	5,001	5,312	6.2	19,878	23,854	20.0
Colorado.....	885	933	5.4	1,818	1,841	1.3
Connecticut.....	648	772	19.1	2,059	2,469	19.9
Delaware.....	134	141	5.2	543	559	2.9
District of Columbia.....	184	194	5.4	1,479	1,543	4.3
Florida.....	1,193	1,313	10.1	3,509	4,071	16.0
Georgia.....	1,519	1,621	6.7	2,490	2,728	9.6
Guam.....						
Hawaii.....	176	186	5.7	504	470	-6.7
Idaho.....	373	420	12.6	497	576	15.9
Illinois.....	4,030	4,586	13.8	14,694	16,065	9.3
Indiana.....	1,598	1,813	13.5	4,648	6,044	30.0
Iowa.....	2,088	2,166	3.7	3,879	4,426	14.1
Kansas.....	1,109	1,156	4.2	2,042	2,386	16.8
Kentucky.....	1,378	1,500	8.9	2,866	3,381	18.0
Louisiana.....	931	980	5.3	1,107	1,131	2.2
Maine.....	793	824	3.9	908	959	5.6
Maryland.....	975	1,095	12.3	3,572	4,438	24.2
Massachusetts.....	2,357	2,419	2.6	7,837	8,420	7.4
Michigan.....	4,210	4,399	4.5	12,225	13,314	8.9
Minnesota.....	2,500	2,570	2.8	5,033	5,933	17.9
Mississippi.....	1,013	1,031	1.8	2,435	2,783	14.3
Missouri.....	2,926	2,937	.4	4,692	5,358	14.2
Montana.....	326	349	7.1	420	423	.7
Nebraska.....	677	702	3.7	1,307	1,435	9.8
Nevada.....	99	129	30.3	227	281	23.8
New Hampshire.....	349	356	2.0	491	546	11.2
New Jersey.....	1,359	1,530	12.6	4,467	5,245	17.4
New Mexico.....	504	565	12.1	1,965	2,331	18.6
New York.....	4,517	4,658	3.1	19,988	21,435	7.2
North Carolina.....	2,003	2,049	2.3	3,337	3,955	18.5
North Dakota.....	357	386	8.1	611	871	42.6
Ohio.....	3,341	3,580	7.2	12,823	13,970	8.9
Oklahoma.....	1,094	1,185	8.3	2,332	2,751	18.0
Oregon.....	775	821	5.9	1,262	1,380	9.4
Pennsylvania.....	4,333	4,454	2.8	9,728	10,672	9.7
Puerto Rico.....						
Rhode Island.....	299	303	1.3	820	843	2.8
South Carolina.....	1,012	1,083	7.0	1,355	1,726	27.4
South Dakota.....	446	491	10.1	942	1,141	21.1
Tennessee.....	2,140	2,238	4.6	4,211	5,008	18.9
Texas.....	3,226	2,891	-10.4	5,784	6,709	16.0
Utah.....	323	338	4.6	448	515	15.0
Vermont.....	377	323	-14.3	381	415	8.9
Virginia.....	1,399	1,438	2.8	3,510	4,167	18.7
Virgin Islands.....						
Washington.....	1,162	1,274	9.6	2,708	3,071	13.4
West Virginia.....	981	1,004	2.3	1,088	1,083	-.5
Wisconsin.....	4,333	4,481	3.4	7,335	7,991	8.9
Wyoming.....	175	202	15.4	376	404	7.4
Total.....	74,483	78,178	5.0	192,492	217,682	13.1

Source: U.S. Department Agriculture, March 1959.

4 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

THE 1959 PROGRAM

Reports from the States on the special milk program for the current year indicate that participation is running at a substantially higher level than in 1958. In February, the Department of Agriculture made a survey of the States to determine their probable needs for this year and the results are indicated in the table below. As indicated by the table, the estimates returned by the States show a need for the current fiscal year of \$3,378,569 above the \$75 million maximum authorized in the law.

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
State agencies:					
Alabama.....	\$1,014,601	\$61,009	\$1,075,610	\$1,095,680	\$20,070
Alaska.....	16,700	1,015	17,715	18,675	960
Arizona.....	306,580	19,453	326,033	357,223	31,190
Arkansas.....	604,970	36,569	641,539	658,127	16,588
California.....	6,781,409	429,944	7,211,353	7,892,289	680,936
Colorado.....	481,950	31,747	513,697	591,332	77,635
Connecticut.....	723,875	45,954	769,829	843,470	73,641
Delaware.....	166,950	10,585	177,535	194,735	17,200
Delaware State Hospital.....	14,864		14,864		
District of Columbia.....	358,726	21,778	380,504	392,668	12,164
Florida.....	1,038,860	66,096	1,104,956	1,214,806	109,850
Georgia.....	944,416	56,088	1,000,504	1,001,504	1,000
Hawaii.....	128,607	4,554	133,161	133,161	
Idaho.....	157,748	10,098	167,846	186,102	18,256
Illinois.....	5,388,255	305,862	5,694,117	5,694,117	
Indiana.....	1,609,088	99,562	1,708,650	1,809,618	100,968
Iowa.....	1,352,822	78,954	1,431,776	1,431,776	
Kansas.....	757,819	46,070	803,889	830,992	27,103
Kentucky.....	1,137,327	68,906	1,206,233	1,241,457	35,224
Louisiana.....	470,911		470,911	470,911	
Maine.....	242,025	14,672	256,697	264,220	7,523
Maryland.....	1,135,230	70,824	1,206,054	2,191,832	85,778
Maryland Department of Budget and Procedure.....	22,163	3,137	25,300	25,300	
Massachusetts.....	2,698,262	155,680	2,853,942	2,853,942	
Michigan.....	3,393,352	205,736	3,599,088	3,706,663	107,575
Minnesota.....	1,673,139	53,584	1,726,723	1,726,723	
Mississippi.....	903,503	56,190	959,693	1,023,745	64,052
Missouri.....	1,912,233	114,596	2,026,829	2,054,524	27,695
Montana.....	124,691	5,085	129,776	129,776	
Nebraska.....	336,569	19,973	356,542	356,542	
Nevada.....	51,182	3,181	54,363	57,544	3,181
New Hampshire.....	186,245	11,209	197,454	200,877	3,423
New Jersey.....	1,545,980	107,485	1,653,465	2,043,551	390,086
New Mexico.....	313,266	19,768	333,034	361,943	28,909
New York.....	8,395,800	506,459	8,902,259	9,104,966	202,707
New York Division of Standards and Purchases.....	138,500	1,428	139,928	139,928	
North Carolina.....	1,192,412	71,701	1,264,113	1,286,917	22,804
North Dakota.....	180,652	11,598	192,250	214,376	22,126
Ohio.....	3,516,999	217,586	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare.....	127,485		127,485	127,485	
Oklahoma.....	785,057	47,235	832,292	847,925	15,633
Oregon.....	440,484	26,990	467,474	488,766	21,292
Pennsylvania.....	2,817,892	180,524	2,998,416	3,327,468	329,052
Rhode Island.....	288,414	18,390	306,804	337,883	31,079
South Carolina.....	433,497	27,592	461,089	507,370	46,281
South Carolina Dairy Commission.....	66,338		66,338	66,338	
South Dakota.....	314,114	6,090	320,204	320,204	
Tennessee.....	1,475,871	60,767	1,536,638	1,536,638	
Tennessee Department of Agriculture.....	18,665		18,665	18,665	
Texas.....	2,088,902	126,377	2,215,279	2,274,710	59,431
Utah.....	155,619		155,619	155,619	

See footnotes at end of table, p. 5.

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959—Continued

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
State agencies—Continued					
Utah Department of Public Welfare.....	\$7, 175	-----	\$7, 175	\$7, 175	-----
Vermont.....	143, 640	\$335	143, 975	143, 975	-----
Virginia.....	1, 221, 283	73, 042	1, 294, 325	1, 307, 975	\$13, 650
Washington.....	1, 038, 736	62, 992	1, 101, 728	1, 134, 620	32, 892
West Virginia.....	362, 280	3, 633	365, 913	365, 913	-----
Wisconsin.....	1, 987, 557	122, 076	2, 109, 633	2, 211, 730	102, 097
Wyoming.....	137, 898	8, 204	146, 102	146, 678	576
Total.....	65, 329, 588	3, 808, 383	69, 137, 971	72, 198, 230	3, 060, 259
Area offices: ³					
Northeast.....	852, 165	56, 588	908, 753	1, 058, 340	149, 587
Southeast.....	369, 547	22, 349	391, 896	402, 082	10, 186
Midwest.....	2, 713, 737	166, 533	2, 880, 270	3, 015, 916	135, 646
Southwest.....	630, 418	-----	630, 418	630, 418	-----
West.....	337, 365	22, 227	359, 592	382, 483	22, 891
Total.....	4, 903, 232	267, 697	5, 170, 929	5, 489, 239	318, 310
Grand total.....	70, 232, 820	4, 076, 080	74, 308, 900	77, 687, 469	3, 378, 569

¹ Division of funds reflects adjustments made, following the February survey, to release funds from those State agencies which indicated that needs were less than previously scheduled payments.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

³ For program needs in schools and child-care institutions where program is not administered by a State agency.

⁴ Exclusive of funds reserved for Federal operating expenses.

HEARINGS

The committee had before it 13 bills authorizing an increase in the funds available for the special milk program. Some of these bills would have increased the available amount by \$5 million for the fiscal year 1959 only. Others would have increased the maximum by \$5 million in 1959 and \$10 million or \$15 million in the 2 subsequent fiscal years.

Bills considered by the committee were:

H.R. 5247 and H.R. 5248, by Mr. Johnson of Wisconsin.

H.R. 5407 and H.R. 5408, by Mr. Kastenmeier.

H.R. 5413, by Mr. Laird.

H.R. 5414, by Mr. Langen.

H.R. 5430, by Mr. Nelsen.

H.R. 5433, by Mr. Quie.

H.R. 5487, by Mr. Andersen of Minnesota.

H.R. 5600, by Mr. McGovern.

H.R. 5604, by Mr. Meyer.

H.R. 5613, by Mr. Brown of Missouri.

COMMITTEE AMENDMENT

The committee has reported the bill (H.R. 5247), by Mr. Johnson of Wisconsin, which would have increased the available funds for this program by \$5 million for the fiscal year 1959 only. It has amended this bill to provide an increase of \$3 million instead of the \$5 million in the bill as introduced.

6 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

It is the belief of the committee that some States may not use quite all the funds available to them so that there will be some small amount which can be allocated to other States, thus permitting the full program to be carried out with the \$3 million additional authorization contained in the bill as amended, although the State estimates add up to a deficit of approximately \$380,000 more than that amount.

The committee emphasizes that the additional \$3 million is merely an increase in the authorization and will be used only to the extent that the Secretary finds it necessary in order to carry out the program as presently scheduled.

DEPARTMENTAL POSITION

Witnesses for the Department of Agriculture appeared at the hearing on this matter and frankly outlined the rapid growth of the special milk program and the apparent need for more funds than presently provided to carry out this year's program. They did not request the additional authorization contained in this bill but held out the hope that the program could be contained within the present maximum authorization by adjustment or, if necessary, curtailment of the State programs.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in *roman*):

Public Law 85-478

5th Congress, S. 3342

July 1, 1958

AN ACT To continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for [each of the three fiscal years in the period beginning July 1, 1958, and ending June 30, 1961,] the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Amounts expended hereunder and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.



Union Calendar No. 77

86TH CONGRESS
1ST SESSION

H. R. 5247

[Report No. 232]

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 1959

Mr. JOHNSON of Wisconsin introduced the following bill; which was referred to the Committee on Agriculture

MARCH 19, 1959

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal
5 year beginning July 1, 1958, not to exceed \$80,000,000
6 \$78,000,000, and for each of the two fiscal years thereafter,
7 not to exceed \$75,000,000, of the funds of the Commodity
8 Credit Corporation shall be used to increase the consumption
9 of fluid milk by children (1) in nonprofit schools of high
10 school grade and under; and (2) in nonprofit nursery

86TH CONGRESS
1ST SESSION

H. R. 5247

[Report No. 232]

A BILL

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

By Mr. JOHNSON of Wisconsin

MARCH 4, 1959

Referred to the Committee on Agriculture

MARCH 19, 1959

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

- 1 schools, child-care centers, settlement houses, summer camps,
- 2 and similar nonprofit institutions devoted to the care and
- 3 training of children.”

Mar. 23, 1959

12. RECLAMATION; FORESTRY. A subcommittee of the Interior and Insular Affairs Committee ordered reported the following bills: P. D197
- S. 44, to authorize construction of the San Luis unit of the Central Valley project, Calif.
- S. 72, to authorize construction of the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project of the Colorado River storage project.
- S. 994, to authorize construction of the Spokane Valley project, Wash. and Idaho.

13. LEGISLATIVE PROGRAM. Sen. Johnson announced that he plans to have adopted a resolution providing for an Easter recess from Thurs., Mar. 26, to Tues., Apr. 7, and inserted a statement, "Legislative Achievements From January 7, 1959, Through March 23, 1959." pp. 4358-9

HOUSE

14. MILK. Passed as reported H. R. 5247, to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program from \$75 million to \$78 million. pp. 4451-3

Rep. Johnson, Wis., urged enactment of his bill to raise the maximum authorized expenditures for fiscal years 1960 and 1961 to \$85 million each year and inserted a statement supporting increased authorizations for the special milk program. pp. 4453-4

Rep. Johnson, Wis., urged enactment of legislation allowing freedom of commerce for milk and inserted an editorial supporting this position and a Public Health Service statement, "U. S. Milk Code Results in Top Quality Milk." p. 4487

15. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL. Passed without amendment this bill, H. R. 5915, which includes items for the Forest Service. pp. 4454-64

16. TRADE-FAIR IMPORTS. Passed without amendment H. R. 5508, to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions. pp. 4445-7

17. CONTRACTS. Passed as reported H. R. 2906, to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiations of Government contracts. pp. 4446-7

18. PERSONNEL. Passed as reported H. R. 3472, to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws. pp. 4450-1

19. ECONOMIC STUDIES. Agreed to without amendment S. Con. Res. 13, to authorize the Joint Economic Committee to make a special study relating to prices, wages, monopolies, inflation, employment, private and public monetary policies, and economic growth. p. 4475

20. FEED GRAIN. The Livestock and Feed Grains Subcommittee of the Agriculture Committee ordered reported to the full committee H. R. 5432, to provide that, beginning with the 1959 crop, price support shall be made available to producers of oats, rye, barley and grain sorghums, respectively, at a price determined by the Secretary to bear the same ratio to the support price of corn as the feed value of such commodity bears to that of corn. p. D199

21. FOREIGN TRADE. Rep. Bailey stated that a high portion of U. S.' declining exports were agriculture products, especially cotton and criticized those who advocated aiding Nasser build the Aswan Dam, the building of which would "irrigate 2 million acres of the world's finest long fiber cotton land .. which would eventually destroy the American cotton export industry ..." and criticized the Administration for "total disregard ... of our Buy American Act." pp. 4476-7
22. ECONOMIC EXPANSION. Rep. Johnson (Colo.) urged a policy which would secure adequate economic expansion without inflation, criticized those arguing for greater protectionism to solve unemployment, and criticized the Administration in its approach to solving inflation. pp. 4477-84
23. FARM LABOR. Received from the Labor Department a proposed bill "to provide for the registration of crew leaders in interstate agricultural employment"; to Education and Labor Committee. p. 4490
24. FOREIGN AGRICULTURAL SERVICE. Received from the Comptroller General a report on the audit of the Foreign Agriculture Service, USDA, covering selected activities of the agency to June 30, 1958. p. 4490
25. ALASKA. Received memorial from the Alaska State Legislature urging consideration of amendments to laws affecting interstate commerce to, from, and within Alaska. p. 4492
26. WILDERNESS. Received from the Colorado State Legislature a memorial urging Congress to decline passage of national wilderness preservation legislation. p. 4492

ITEMS IN APPENDIX

27. FUTURE FARMERS. Sen. Morse paid tribute to the members of the Oregon Assoc. of Future Farmers of America. pp. A2544-5
28. FAIR TRADE. Rep. Dingell inserted an article, "Rips New Fair Trade Bill as Incurably Defective." p. A2538
Rep. McCormack inserted the testimony of a Boston College professor before the H. Interstate and Foreign Commerce Committee discussing fair trade legislation. pp. A2545-7
29. COTTON. Rep. Smith, Miss., inserted an article by the executive vice president of the Delta Council on "the urgent necessity of an improved research program for cotton ginning and mechanization." pp. A2551-2
30. ELECTRIFICATION. Sen. Sparkman inserted an editorial, "TVA As A Business," pp. A2521-2
Rep. Evins inserted an editorial, "TVA Yardstick Works Again in Measuring Costs." pp. A2552-3
Rep. McGovern inserted the speech of the dean of the Washington Cathedral before the annual meeting of the National Rural Electric Cooperative Assoc. pp. A2559-60
31. FOREIGN AID. Rep. Passman inserted a copy of his letter to his colleagues criticizing expenditures for foreign aid. p. A2553
Rep. Hays inserted an article, "Foreign Aid Needs Cleaning Up," charging waste in the program. pp. A2556-7
Sen. Javits inserted an editorial, "For Mutual Defense," urging support for the mutual security program. p. A2530

annual leave and unemployment compensation for the same period of time?

Mr. MILLS. There are some States that provide that a worker who is not a separated civil service employee of the Federal Government but who is a worker in private industry may receive unemployment compensation during the time he is receiving his annual leave payments; that is, upon separation from his private employment. Section 1505 of the Social Security Act prevents a Federal civilian employee, in a State where this may occur with respect to private employees, from receiving the same treatment as the employee in private industry. We were trying to equalize the situation between private and Federal employment in those States where private employees receive this treatment.

Mr. MARSHALL. Will not this make it possible for inequities in the treatment of Federal employees as between the different States of the union?

Mr. MILLS. Now, the gentleman from Minnesota recognizes, I am sure, that unemployment compensation is largely based upon State statutes. It operates in each and every State upon the basis of the State statutes, and the State statutes in the several States vary with respect to many points. Now, some States do allow this separated private employee to receive these benefits while his accrued leave is coming to him. In those States we thought it was fair, since the State law is controlling—because we want to leave the responsibility on the States—that we let our Federal employees be treated just as other employees are presently being treated and that we not prohibit by Federal statute this benefit from being received for this limited period of time by the Federal civilian employees.

Mr. MARSHALL. Is there any possibility that this may lead to a wholesale transfer of Federal employees in order that they may be transferred into States in order to collect their unemployment compensation and annual leave on the same basis?

Mr. MILLS. The gentleman's judgment on that point I would have to take, because I have no information whatsoever that leads me to believe that the Federal Government would precipitously transfer an individual in Washington or some other State into one State just in order for him to receive unemployment compensation at an earlier date than he would otherwise receive it. Now, the period we are talking about, annual leave, the gentleman from Minnesota knows, is not for an extended period at best.

Mr. MARSHALL. Could the distinguished chairman tell me about how much it is anticipated that this will cost the Federal Government?

Mr. MILLS. We asked that question when we had this matter in the committee. We did not get a firm estimate of the cost. It could only involve that period of time for which the individual, the separated Federal civilian employee, is drawing annual leave. He would get his benefits for a certain duration under State law, anyway. Now, if the State

law provided for him to receive 26 weeks of benefits, let us say, at \$30 a week, he would generally get that amount if he remained unemployed whether we enact this provision or not. This action here does not mean that he would get any more than \$30 for that number of weeks. That is all he can get. That is determined by State law. It is just a question of whether or not the commencement of the benefit payment under State law for the prescribed duration period will begin while he is receiving annual leave or whether it will commence after he has exhausted his annual leave. I do not see that it could add any material amount, because we are not extending it. We are not saying that the Federal Government will pay more. We are just saying that the State can begin this payment at perhaps an earlier date than it would under the provisions of existing law, in the light of section 1505.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Rhode Island.

Mr. FORAND. I would like to emphasize that this is not separation pay, but it is annual leave accrued to the individual to which he has a right. If he takes a vacation, all right, his time is used up. If, instead, he continues to work but has accrued that vacation period credit, he is entitled to that whether he is receiving unemployment compensation or not. The two are separate and distinct. The point we are trying to clear up is the discrimination now existing against Federal employees who live in States where the State recognizes that an individual in private employment is entitled to unemployment compensation, whereas the same kind of treatment should apply to a Federal employee.

Mr. MARSHALL. I appreciate what the gentleman from Rhode Island is trying to do and I am sympathetic to a certain extent with what he is trying to do. It seems to me that the problem we face on this proposition is that this is a matter of Federal employees getting a different interpretation as between the different States. I realize that some of that is beyond the gentleman's control, because it is a State matter. But there is another feature that is not being considered here, but is tied in to it. In a number of States we are now paying unemployment compensation to Federal employees who are collecting their annuities. That is costing us up into the millions of dollars. It seems to me that that is decidedly unfair. I appreciate that that is separate from what the gentleman is trying to do here. But it does seem to me that this does create some discrepancy.

It was my intention today to point the matter up as far as the Congress is concerned in order that we may have a clearer understanding of it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, effective only with respect to benefit years which begin more than thirty days after the date of enactment of this Act, section 1505 of the Social Security Act (42 U.S.C. 1365) is hereby repealed.

With the following committee amendment:

Page 1, after line 6, insert:

"SEC. 2. Section 1511(f) of the Social Security Act (42 U.S.C. 1371(f) is amended by striking out 'section 1505 applies' and inserting in lieu thereof 'section 1505 continues (without regard to its repeal) to apply'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 3472 would amend the Social Security Act so that accrued annual leave for Federal civilian employees would be treated in accordance with State law in determining the employee's eligibility for unemployment compensation.

The Committee on Ways and Means was unanimous in approving this legislation. It is an appropriate amendment to the law because unemployment compensation is intended to maintain in part an employee's purchasing power during a period of temporary unemployment whereas the accrued annual leave of the employee is predicated on the concept that employees earn vacation rights as a result of their employment.

I am happy to have joined in supporting the favorable House action just taken on this legislation.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the authors of these various bills just passed have permission to extend their remarks in the RECORD following the passage of each bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPECIAL MILK PROGRAM, FISCAL YEAR 1959

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman please explain the bill for the information of the House?

Mr. JOHNSON of Wisconsin. Mr. Speaker, it was brought out by a survey in the Department of Agriculture by the people administering the special milk program that up until July 1 of this year there would be a shortage in some 37 States of about \$3 million for the carrying out of this program. I introduced legislation that would have increased the appropriation to \$5 million for fiscal 1959, and another bill for \$10 million for fiscal 1960 and 1961. But the

bill was amended unanimously in the committee, which lowered it to \$3 million. All this bill does is increase the authorization \$3 million from commodity credit fund for the special school milk program. That takes it up to July 1959.

Mr. HOEVEN. Mr. Speaker, this is the popular school milk program which was first proposed by our late colleague, August H. Andresen, of Minnesota. The program has been carried on successfully since that time. It is true, as the gentleman has stated, that the original bill called for an appropriation of \$80 million for the current fiscal year. The committee unanimously agreed upon a figure of \$78 million for this fiscal year. Although the Department of Agriculture testified that \$75 million might be sufficient to carry on the program this year, surveys as to needs might possibly show an expenditure of \$77.1 million would be necessary. In order to meet any contingencies, the committee raised the figure to \$78 million.

May I ask the gentleman whether or not the expenditure of the money is permissive as far as the Secretary of Agriculture is concerned?

Mr. JOHNSON of Wisconsin. That is right. The Secretary does not have to spend the money, but if it is needed to carry out the program, he has the right to do so.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HOFFMAN of Michigan. I know that the gentleman has complete and accurate knowledge of the situation with reference to milk, but what I was interested in was whether this had anything to do with the monopoly that the Maryland and Virginia Milk Producers have in the situation here?

Mr. HOEVEN. All we know about the supposed monopoly, I will say to the gentleman—

Mr. HOFFMAN of Michigan. Supposed? It is a monopoly; we all know that. Surely the leader knows that.

Mr. HOEVEN. The only thing I know about it is what I read in the newspapers.

Mr. HOFFMAN of Michigan. Does this bill help out these Wisconsin milk producers and those over in Pennsylvania and that milk that is coming in from New Jersey?

Mr. HOEVEN. I would say this bill certainly benefits the milk producers of Wisconsin, Michigan, and other areas. If it is going to make the continued flow of this milk into school channels possible, and an added appropriation can authorize you to carry on the work.

Mr. HOFFMAN of Michigan. Let us see about that now.

The SPEAKER. The Chair was advised that this bill would be considered under a unanimous-consent request and was not going to take much time. If this bill is going to take much time, the Chair will be compelled to ask the gentleman from Wisconsin to withdraw the bill, at least temporarily.

Mr. HOFFMAN of Michigan. Can I not get permission for either one of them to yield for a minute?

The SPEAKER. The gentleman may.

Mr. HOFFMAN of Michigan. I mean, may I try?

The SPEAKER. The gentleman may try.

Mr. HOFFMAN of Michigan. Who has the time?

The SPEAKER. The gentleman from Wisconsin. The gentleman from Iowa has taken his seat. The gentleman from Michigan reserves the right to object.

Mr. HOFFMAN of Michigan. Yes; and I do object. I want to ask the gentleman just what I asked in the first place. If he had answered, we would have been way along on our way. My question is whether this proposed legislation has anything to do with this monopoly that the Maryland and Virginia dairymen have on the supply that goes into the District.

Mr. JOHNSON of Wisconsin. None whatsoever. This affects the whole country.

Mr. HOFFMAN of Michigan. It does not prevent the Wisconsin or Pennsylvania fellows from getting their milk in here?

Mr. JOHNSON of Wisconsin. This affects the schoolchildren of the whole country.

Mr. HOFFMAN of Michigan. Then I am as a milk consumer here to pay that same high price?

Mr. GROSS. Reserving the right to object, Mr. Speaker, will this have anything to do with permitting the bringing into the District of any of that so-called "tired" milk from Wisconsin or Iowa?

Mr. JOHNSON of Wisconsin. This is so the schoolchildren all over the country will have milk in the special school-milk program for the balance of fiscal 1959.

Mr. GROSS. It will be very nutritious milk, even though it is "tired" milk.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, I fully support the legislation pending before the House today to make additional funds of the Commodity Credit Corporation available to meet the needs of the special milk program for the remaining months of the 1959 fiscal year.

According to the table submitted by the Department of Agriculture, well over half of the State agencies feel they do not have sufficient funds to operate the program in schools throughout the end of the school year and to take care of the June operations in summer camps. I understand the point made by the Department of Agriculture that some of the States subsequently may spend less, but States must plan on the basis of their best expectations.

Gordon Gunderson, who heads up the program for the State Department of Public Instruction in Wisconsin, in testimony before the House Agriculture Committee, indicated the actions open to State agencies which anticipate a deficit. Any one of those actions, it seems to me, means curtailed consumption this year and next year, too.

My own bill, H.R. 5413, would have increased the authorization to \$80 million

this year and then provide an additional \$5 million for each of the next 2 fiscal years. There is an immediate need to reassure States that funds will be available to meet all of this year's needs. But, we need also to take early action with respect to the program for next year. School people do not start to plan their programs when school opens in the fall—they must be all set to begin operations by that date. Actually, I would think that the Department of Agriculture should be in a position to outline next year's program to the States by late April.

This program has been remarkably successful. Milk service is now available to about three out of every four children in school and that about half the children in school are regularly drinking milk with the school lunch or under the special milk program. That is a fine record, but it also means that we have not yet exhausted the full potential of the program. It is no time to be trying to reduce or even stabilize it. As long as the Department needs to buy surplus dairy products, we should continue full efforts to move that milk in fluid form to our young children. That is much better for children and much better for dairy producers.

The 2 billion half-pints of milk that moved under this program last year had a healthy influence on children, helped reduce Government purchases of manufactured dairy products, widened fluid markets, and helped form the milk-drinking habit among our young people.

The Congress needs to take early action to see that these benefits are continued in full effectiveness. I am cooperating fully with my friend the gentleman from Wisconsin [Mr. JOHNSON] in securing passage of this temporary legislation today.

I realize the urgency of this request to take care of the remaining portion of the year 1959. The gentleman, I am sure, is also aware of the fact that we do have a problem as far as the fiscal year 1960 is concerned. The program for 1960 is such that it will be necessary for the States to make their plans within the next 2 months. It was my hope we would be able to give consideration to the next year's program at an early date. We should also give some consideration to placing this program on a direct appropriation basis. I will introduce legislation this afternoon to take care of next year's program and will place the milk program on a permanent direct appropriation basis.

Mr. JOHNSON of Wisconsin. I am very hopeful that the Dairy Subcommittee will hold hearings on fiscal 1960 and 1961 special milk program right after the Easter recess. I have been promised by the chairman of that subcommittee that hearings will be held right after the Easter recess.

I might say to the gentleman from Wisconsin [Mr. LAIRD] I also have introduced a bill that would take care of the possible shortage for fiscal 1960 and 1961; but to be sure that the special school milk program was not cut, I agreed to wait and take care of the immediate problem before the Easter recess so no reduction would be had in this worthy program.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

With the following committee amendment:

Page 1, line 5, strike out "\$80,000,000" and insert "\$78,000,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent that I may extend my remarks at this point in the RECORD and include extraneous matter, and that all interested Members may extend their remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on March 4, 1959, I introduced two bills in the House of Representatives that would increase the amount of Commodity Credit Corporation funds which could be used for the special milk program for schools and summer camps. My first bill, H.R. 5247, proposed that the authorization for the program for the fiscal year ending June 30, 1959, be increased from \$75 million to \$80 million. The second bill, H.R. 5248, provided for future expansion of the program as well as a temporary increase for fiscal 1959. Under the provisions of this bill, \$80 million would be authorized to carry the program through this fiscal year, and the funds would be increased to \$85 million for both 1960 and 1961.

The urgency of the situation is illustrated by the fact that 37 States and the District of Columbia will be forced to curtail operations in this field unless additional funds are authorized soon. According to a survey made by the U.S. Department of Agriculture, the total deficit for the fiscal year ending June 30, 1959, would be \$3,378,569 if the program was carried on at the current level until the end of that time. My home State of Wisconsin has an indicated deficit of \$102,097.

California will fall \$680,936 short of meeting its estimated milk fund needs. As our population increases, the school enrollment naturally keeps going up. These health programs for our young

people must be expanded to keep pace with that growth.

Last June, Congress authorized a 3-year extension of the special milk program with an annual authorization of \$75 million. This is already proving insufficient. And unless we increase the authorization soon, those 37 States and the District of Columbia will have to tell their schools to cut down the milk supply to children who need it. In addition, the uncertainty over funds will seriously hamper the summer camp milk program, for now is the time when camp managers are making their food plans for the coming season.

Mr. Speaker, because the situation called for immediate action, Congressman COOLEY scheduled hearings March 17 by the House Agriculture Committee on my bills and similar ones which had been introduced by several of my colleagues. In order to secure a unanimous report in favor of my emergency bill, H.R. 5247, the committee adopted an amendment cutting the proposed increase for fiscal 1959 from \$80 million to \$78 million. This was done at the insistence of the U.S. Department of Agriculture, which opposed any increase at all. My long-range bill, H.R. 5248, will be studied further by the Dairy and Poultry Subcommittee of the House Agriculture Committee after Congress reconvenes following the Easter recess.

I would like to read a telegram from R. W. Fenske, superintendent of schools at Wisconsin Dells, Wis. He said:

Anything you can do to assure passage of these bills will be appreciated.

He and other educators know that the special milk program is one of the most successful programs of the U.S. Department of Agriculture. If adequate funds are available, over 2 billion half-pints of milk will be consumed under the plan. Added to the 2 billion half-pints used in the school lunch program, this represents about 3.5 percent of all the fluid milk consumed by our nonfarm population. Around 80,000 schools are taking part in the milk program, and about 22 million children are drinking milk at school either under the school lunch program or at recess breaks as part of the special milk plan.

Mr. Speaker, the 80,000 figure does not include the summer camps using the program. If you recall, I introduced the bill to extend the special milk program to the summer camps, and it became a law in 1956. The following year, 2,220 camps participated. In 1958, the number increased to 3,026. I would like to see this worthwhile program continue to expand, but it will not—it can not—unless enough funds are made available.

Although the funds for the special milk program come under the U.S. Department of Agriculture budget, I do not feel it is fair to charge the cost of the program to the farmers. This is one of the farm programs which does as much good for city folks as it does for the farmer. That's why the cost of this humanitarian program should not be lumped with the cost of Government purchases of surplus food, as is now being done.

This kind of accounting presents an untrue picture of the expense of the price support program, a picture which is grossly unfair to our farmers.

Mr. Speaker, I can think of no finer investment than one which insures that this country's children continue to receive the full benefits of the special milk program. Few responsible citizens will quarrel with the idea that the kids of this Nation are entitled to an adequate supply of the world's most complete food—milk. It seems to me that it is far better to use Commodity Credit Corporation funds to encourage children to drink more milk than to use the money to buy surplus butter, cheese and dry milk. When it comes right down to it, that's the choice we are facing—more money for the special milk program or more price support purchases of dairy products.

When the hearings were held on H.R. 5247 and H.R. 5248, Gordon W. Gunderson, administrative assistant to the Wisconsin State superintendent of public instruction, came to Washington, D.C., to testify in support of my bills to expand the special milk program. Mr. Gunderson is a native of Colfax, Wis., which is in my home district, the Ninth. He has a long and outstanding record of public service to the people of our State.

Mr. Speaker, during the depression of the 1930's, Mr. Gunderson served as director of the Wisconsin Home and Farm Credit Administration, which undertook a special program of refinancing farm and home loans in order to put an end to the widespread foreclosures then taking place. After this emergency was over, Mr. Gunderson, as a State representative of the U.S. Department of Agriculture, helped establish the school lunch program in Wisconsin. During World War II, he served as State director of the War Food Administration and had under his direction the administration of all war food orders affecting food processing and so forth.

With the transfer of school lunch activities to the department of public instruction in 1946, Mr. Gunderson was employed by that department to supervise the school lunch program in Wisconsin. Approximately a year later, the U.S. Department of Agriculture turned over to the State the distribution of commodities to schools, and he took on this additional job. The special milk program in our State has been under his supervision since 1954.

Mr. Gunderson appeared before the House Agriculture Committee in behalf of the American School Food Service Association and the Wisconsin Department of Public Instruction. Under leave to extend my remarks, I want to include his testimony in the RECORD:

STATEMENT BY GORDON W. GUNDERSON ON THE SPECIAL MILK PROGRAM BEFORE THE HOUSE AGRICULTURE COMMITTEE, MARCH 17, 1959

I greatly appreciate the opportunity to testify before this committee on behalf of the special milk program.

I am here today representing the American School Food Service Association—an organization of some 16,000 members including State school lunch directors, county and district school lunch supervisors and

managers of individual school lunch programs. I am also representing the Wisconsin Department of Public Instruction. In this department, I am the supervisor of the school lunch, special milk, and commodity distributing program.

The special milk program is now drawing to the close of its fifth year of operation. From the time that Lodi, Wis., the first school in the Nation to begin the operation of the program, served special school milk to its 530 pupils in September of 1954, there has been a steady growth at an ever-increasing rate to reach a total of more than 19 million children in 76,000 schools and child-care institutions and a consumption of more than 1.9 billion half pints of milk in 1958. This astounding achievement is in line with the objectives desired at the time of the enactment of the legislation and all through the 5-year period, even up to the present time.

During the 1954-55 school year numerous federally financed research projects were undertaken in many of the States to discover problems which might hinder the rapid and extensive expansion of the program and to explore new and more effective ways of increasing milk consumption in schools. These projects included experiments concerning effect of new times of service in schools; milk handling practices and temperature controls; use of milk vending machines; use of container sizes other than the usual one-half pint; the serving of flavored milk; and the effect of various levels of price reduction. In Wisconsin we cooperated in the study of price reduction. Other studies were undertaken in at least 11 other States. The data which were gathered was published by the U.S. Department of Agriculture and submitted to all of the State agencies administering the special milk program in order that they might take advantage of any new or improved ideas in milk service to the end that there might be a rapid gain in milk consumption throughout the Nation. In its preface to the "Service Guide for States," dated February 1959, the U.S. Department of Agriculture has stated: "The Department of Agriculture believes that a many-sided approach is necessary to realize the potentialities of the program. It hopes that the program will:

"(1) Make the service of milk possible to schools or eligible child-care institutions not now serving milk;

"(2) Encourage a larger percentage of children to drink milk in those schools and child-care institutions where milk is now available; and

"(3) Offer an opportunity to those children now drinking milk, to drink more milk, if they so desire.

"Reimbursement funds available under the special milk program will make possible reductions in the price at which milk is offered to children and enable schools and institutions to make more milk available for consumption by children. * * * The Department recognizes that a price reduction is but one of several ways in which increased milk consumption can be encouraged; other ways include the establishment of new times for and their method of serving milk, and continuing efforts to better acquaint children with the importance of drinking adequate amounts of milk. Planning for increased efforts along these lines necessarily must rest largely in the hands of interested State and local groups * * *. The special milk program provides another opportunity to assist in local efforts to improve the diets and health of children."

It is evident that this has consistently been the policy of the U.S. Department of Agriculture since the foregoing quotations are almost word for word identical with those in the preface to the "Service Guide" issued in November 1956. State agencies

having the responsibility for the administration of the program have accepted this policy at its face value. They have sought and have obtained the cooperation and services of farm organizations, milk distributors and national, State, and local agencies and organizations concerned with the health and welfare of children. These united efforts have made possible the expansion of the program to the point where it appears that the funds available for the current fiscal year will not be adequate to meet obligations under the terms of the agreements which have been entered into with participating schools. In Wisconsin we have approved 131 new applications during the current school term. On the national basis, the increase is approximately 7,000 schools over last year.

In the division of Federal funds among the States for the financing of the program for the current year, the U.S. Department of Agriculture has set aside a reserve for each State equivalent to 112 percent of the State's estimated expenditure during fiscal year 1958. Any funds needed by an individual State in excess of this reserve could be provided only to the extent to which funds could be recaptured from States not utilizing their full reserve.

Information published by the U.S. Department of Agriculture shows that 38 States indicate a deficit totaling \$3,060,250. In addition, four of the five area offices of the U.S. Department of Agriculture indicate a deficit of \$318,310.

What will be the effect of this shortage of funds in these States? The respective State agency will be obligated to take one or more of the following actions:

1. Immediately reduce rates of reimbursement to all participating schools to a point which would enable the continuation of the program to the end of the school year, or

2. Continue payments at the contractual rates until funds are exhausted and then terminate all contracts.

3. Reject all new publications for participation for the remainder of the school term.

4. Curtail or eliminate completely participation by summer camps for children.

Certainly any curtailment in the program before the end of the school term would have a devastating effect upon the program not only for the current year but for the years that lie ahead. The major effects would be:

1. An immediate reduction in consumption of milk.

The Wisconsin experiment concerning the effect of price reductions upon consumption of milk by schoolchildren proved conclusively that:

(a) The greater the price reduction, the greater was the increase in consumption.

(b) Reduced prices resulted in increased numbers of children drinking milk in school.

(c) The increased milk consumption at school was new consumption, not the replacement of home consumption.

2. Total exclusion from participation, or reduced consumption by children from low income families.

The St. Louis study conducted in 1955-56 showed that "pupils in elementary schools serving low income districts drank about 171 percent more milk, other than with meals, and students from the middle income districts drank about 157 percent more during the 1955-56 school year than in the previous year. * * * Pupils in schools serving high income districts increased their consumption by only 44 percent * * * the increase demonstrates a greater effect on those in the lower income school districts when price is reduced."

3. Dissuasion from participation in the coming year. Whether or not any school faced with a reduction in reimbursement

rate or cancellation of the contract at this time of the school year will even consider renewing its contract for the coming year without a guarantee of continuous payment at full rate throughout the year is problematical, to say the least. Certainly it will act as a serious deterrent to participation by new schools.

The significance of the program becomes extremely interesting and vivid when we convert the millions of half pints of milk consumed into terms of butter, cheese, and powdered milk. Applying the formula that 100 pounds of 3.5 percent milk will produce 4.2 pounds of butter plus 8.5 pounds of nonfat dry milk solids, or 9 pounds of American cheese, we can readily determine that the more than 1.9 billion half pints of milk consumed by our schoolchildren in the past fiscal year would have produced more than 43 million pounds of butter plus more than 72 million pounds of nonfat dry milk, or more than 92 million pounds of American cheese. I believe it is reasonable to assume further that much of this would have found its way into Government warehouses. But the additional butter and powdered milk or American cheese would not have been eaten by American schoolchildren since they have already consumed these products from Government donated stocks at a maximum rate.

It appears to me, therefore, that we face the problem of providing additional funds with which to finance the special milk program or face the probably even greater problem of purchasing and disposing of additional surplus dairy products.

We would support the proposition that the needed funds be made available for the continuation of the special milk program at full capacity and at full rate of reimbursement for the remainder of the current year and for the next 2 years as a health-giving, sound economic program for all concerned.

From an overall fiscal viewpoint, I think we should remember that the special milk program has not utilized the total funds made available in any previous year, so that in the aggregate the expenditure has been less than anticipated. The additional funds required for the current year, plus addition amounts for each of the next 2 years are authorizations and set maximum limits. Only to the extent that the program needs additional funds would CCC funds be called upon. If full use of the authorized funds is not needed in the program, there would be no call on CCC for the funds.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1960

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and, pending that, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half the time to be controlled by the gentleman from Iowa [Mr. JENSEN] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5915, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 25, 1959

For actions of March 24, 1959

86th-1st, No. 48

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HIGHLIGHTS: House passed second supplemental appropriation bill. Senate committee reported bill to give REA independent status. Senate committee reported bill to increase special milk program. Sen. Langer introduced and discussed bill to extend P. L. 480 for five years.

HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 5916, the second supplemental appropriation bill for 1959. pp. 4539-81

Agreed to the following amendments:

By Rep. Rooney, 183 to 59, to provide an additional \$100,000,000 for advances to the Development Loan Fund for the foreign aid program. pp. 4556-60, 4581

By Speaker Rayburn to provide an additional \$100,000 for the Outdoor Recreation Resources Review Commission. pp. 4568-9

Rejected an amendment by Rep. McGovern which would have reduced the item for the Office of the Secretary of Agriculture from \$186,755 to \$112,053. p. 4578

A point of order was sustained against an amendment by Rep. Durham which would have provided an additional \$3 million in Federal contributions to States for civil defense purposes. p. 4576

2. FORESTRY. Both Houses received from this Department a report, "Program for the National Forests"; to H. Agriculture and S. Agriculture and Forestry and Interior and Insular Affairs Committees. pp. 4538, 4591, A2607-12
3. MINIMUM WAGES. Rep. Rodino urged enactment of legislation to increase the national minimum wage to \$1.25. pp. 4581-2
4. UNEMPLOYMENT. Rep. Dingell expressed his concern over the unemployment situation and urged enactment of legislation for Federal assistance to economically depressed areas. p. 4587
5. POSTAL RATES. The Post Office and Civil Service Committee reported with amendment H. R. 4595, to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials (H. Rept. 252). p. 4591

SENATE

6. SCHOOL MILK. The Agriculture and Forestry Committee reported without amendment H. R. 5247, to increase by \$3,000,000 the authorized maximum expenditure for the fiscal year 1959 under the special milk program (S. Rept. 143). p. 4496
7. ELECTRIFICATION. The Government Operations Committee reported with amendments S. 144, to amend Reorganization Plan No. 2 of 1953 so as to exempt REA from the plan. (S. Rept. 142). p. 4496
8. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendments S. Res. 48, establishing a committee to study the matter of the development and coordination of water resources (S. Rept. 145). p. 4496
9. INTERGOVERNMENTAL RELATIONS. Sen. Humphrey urged support of S. 910 which would establish a 5-year program of payments in lieu of taxes to local governments who have suffered losses because of immunity of Federal property, and inserted a statement favoring the bill. pp. 4502-4
10. BUDGET. Sen. Bush inserted an editorial criticizing the Democrats for playing "bookkeeping games" and "politics" with the President's budget. pp. 4515-6
11. ECONOMIC POLICY. Sen. Bennett criticized a speech by Sen. Gore for not mentioning the preservation of the free enterprise system, for proposing "restrictions on the economy" and for accusing Republicans of using "high interest rates to injure ... Democrats." pp. 4519-29
12. GOVERNMENT ETHICS. Agreed to H. Con. Res. 15, providing for the printing of the "Code of Ethics for Government Service" as a House document. p. 4536
13. ADMINISTRATION; PROPERTY. The Government Operations Committee reported without amendment S. 900, to extend the authority of GSA to pay direct expenses in connection with the utilization of excess real property. (S. Rept. 138). p. 4496
The Government Operations Committee reported S. 901, ^{without amendment} to authorize GSA to make contracts for cleaning and custodial services for periods not exceed 5 years (S. Rept. 139). p. 4496

Calendar No. 132

86TH CONGRESS }
1st Session

SENATE

{ REPORT
No. 143

INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

MARCH 24, 1959.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Agriculture
and Forestry, submitted the following

R E P O R T

[To accompany H.R. 5247]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill authorizes the use of an additional \$3 million of Commodity Credit Corporation funds during the current fiscal year for the special school milk program, raising the total authorization for the year to \$78 million. It is hoped that this will permit continuation of the program at the current level for the remainder of the year. In addition to the House bill, the committee had before it the following Senate bills to increase funds available for the special school milk program: S. 982, introduced by Senator Wiley; S. 1289, introduced by Senators Humphrey, McCarthy, Proxmire, Wiley, and Aiken; and S. 1510, introduced by Senator Wiley.

The report of the House Committee on Agriculture is attached.

2 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

[H. Rept. 232, 86th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, line 5, strike out "\$80,000,000" and insert "\$78,000,000".

PURPOSE

The purpose of this bill is to increase by \$3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(e) of the Agricultural Act of 1949 and Public Law 85-478. The law now authorizes the use of not to exceed \$75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to \$78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its present level.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support provisions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled \$17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds

in reducing prices to ehildren and, second, to provide for additional simplifications in reecords and reports at the school level.

The modified program was immediately suceessful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from \$17.1 million to almost \$46 million in fiseal year 1956.

The program provisions for schools—where milk is sold as a separately prieved item—has continued unehanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling priece to ehildren below the eost of the milk and for the expenses they ineur in distributing the milk (such as the purchase of milk serviee equip- ment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 eents per half pint for schools partieipating in the national school luneh program, but they do not receive any payment for the half pint of milk that is served as part of a type-A luneh. Schools not partieipating in the national school luneh pro- gram ean receive up to 3 eents per half pint for the milk served to ehildren.

The legislation passed in 1956, whieh continued the program through June 30, 1958, also extended it to nonprofit summer eamps, settlement houses, and other ehild-eare institutions. About 3,000 eamps partieipated in the program last summer and reimbursements totaled about \$650,000. Although eamp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a mueh more adequate milk service for ehildren.

The following table shows the growth of the program from its ineption through fiseal year 1958. It is estimated that there are approximately 80,000 schools and other outlets partieipating in the program in the eurrent (1959) fiseal year.

Special milk program participation and expenditures, 1955-58

	Schools, eamps, etc., partieipating	Milk con- sumed (mil- lions of half pints)	Expenditures (millions of dollars)
1955.....	41,094	449.8	17.1
1956.....	62,266	1,394.2	45.9
1957.....	71,239	1,752.7	60.5
1958.....	76,478	1,918.2	66.3

4 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

The following table shows the scope of the program by States in the past 2 years. The figures show the number of schools and other outlets participating in November 1957 and November 1958 and also the distribution of milk in each State on those two dates.

SPECIAL MILK PROGRAM

Number of outlets participating and number of half pints reimbursed, November 1957 compared with November 1958, preliminary

	Number of outlets participating			Number of half pints reimbursed		
	November 1957	November 1958	Percent Increase	November 1957	November 1958	Percent Increase
				<i>Thousands</i>	<i>Thousands</i>	
Alabama.....	1,395	1,472	5.5	3,265	3,508	7.4
Alaska.....	24	25	4.2	52	54	3.8
Arizona.....	412	447	8.5	1,109	1,355	22.2
Arkansas.....	1,024	1,036	1.2	1,435	1,648	14.8
California.....	5,001	5,312	6.2	19,878	23,854	20.0
Colorado.....	885	933	5.4	1,818	1,841	1.3
Connecticut.....	648	772	19.1	2,059	2,469	19.9
Delaware.....	134	141	5.2	543	559	2.9
District of Columbia.....	184	194	5.4	1,479	1,543	4.3
Florida.....	1,193	1,313	10.1	3,509	4,071	16.0
Georgia.....	1,519	1,621	6.7	2,490	2,728	9.6
Guam.....						
Hawaii.....	176	186	5.7	504	470	-6.7
Idaho.....	373	420	12.6	497	576	15.9
Illinois.....	4,030	4,586	13.8	14,694	16,065	9.3
Indiana.....	1,598	1,813	13.5	4,648	6,044	30.0
Iowa.....	2,088	2,166	3.7	3,879	4,426	14.1
Kansas.....	1,109	1,156	4.2	2,042	2,386	16.8
Kentucky.....	1,378	1,500	8.9	2,866	3,381	18.0
Louisiana.....	931	980	5.3	1,107	1,131	2.2
Maine.....	793	824	3.9	908	959	5.6
Maryland.....	975	1,095	12.3	3,572	4,438	24.2
Massachusetts.....	2,357	2,419	2.6	7,837	8,420	7.4
Michigan.....	4,210	4,399	4.5	12,225	13,314	8.9
Minnesota.....	2,500	2,570	2.8	5,033	5,933	17.9
Mississippi.....	1,013	1,031	1.8	2,435	2,783	14.3
Missouri.....	2,926	2,937	.4	4,692	5,358	14.2
Montana.....	326	349	7.1	420	423	.7
Nebraska.....	677	702	3.7	1,307	1,435	9.8
Nevada.....	99	129	30.3	227	281	23.8
New Hampshire.....	349	356	2.0	491	546	11.2
New Jersey.....	1,359	1,539	12.6	4,467	5,245	17.4
New Mexico.....	504	565	12.1	1,965	2,331	18.6
New York.....	4,517	4,658	3.1	19,988	21,435	7.2
North Carolina.....	2,003	2,049	2.3	3,337	3,955	18.5
North Dakota.....	357	386	8.1	611	871	42.6
Ohio.....	3,341	3,580	7.2	12,823	13,970	8.9
Oklahoma.....	1,094	1,185	8.3	2,332	2,751	18.0
Oregon.....	775	821	5.9	1,262	1,380	9.4
Pennsylvania.....	4,333	4,454	2.8	9,725	10,672	9.7
Puerto Rico.....						
Rhode Island.....	299	303	1.3	820	843	2.8
South Carolina.....	1,012	1,083	7.0	1,355	1,726	27.4
South Dakota.....	446	491	10.1	942	1,141	21.1
Tennessee.....	2,140	2,238	4.6	4,211	5,008	18.9
Texas.....	3,226	2,891	-10.4	5,784	6,709	16.0
Utah.....	323	338	4.6	448	515	15.0
Vermont.....	377	323	-14.3	381	415	8.9
Virginia.....	1,399	1,438	2.8	3,510	4,167	18.7
Virgin Islands.....						
Washington.....	1,162	1,274	9.6	2,708	3,071	13.4
West Virginia.....	931	1,004	7.8	1,088	1,083	-.5
Wisconsin.....	4,333	4,481	3.4	7,335	7,991	8.9
Wyoming.....	175	202	15.4	376	404	7.4
Total.....	74,483	78,178	5.0	192,492	217,682	13.1

Source: U.S. Department Agriculture, March 1959.

THE 1959 PROGRAM

Reports from the States on the special milk program for the current year indicate that participation is running at a substantially higher level than in 1958. In February, the Department of Agriculture made a survey of the States to determine their probable needs for this year and the results are indicated in the table below. As indicated by the table, the estimates returned by the States show a need for the current fiscal year of \$3,378,569 above the \$75 million maximum authorized in the law.

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
State agencies:					
Alabama.....	\$1,014,601	\$61,009	\$1,075,610	\$1,095,680	\$20,070
Alaska.....	16,700	1,015	17,715	18,675	960
Arizona.....	306,580	19,453	326,033	357,223	31,190
Arkansas.....	604,970	36,569	641,539	658,127	16,588
California.....	6,781,409	429,944	7,211,353	7,892,289	680,936
Colorado.....	481,950	31,747	513,697	591,332	77,635
Connecticut.....	723,875	45,954	769,829	843,470	73,641
Delaware.....	166,950	10,585	177,535	194,735	17,200
Delaware State Hospital.....	14,864	-----	14,864	14,864	-----
District of Columbia.....	358,726	21,778	380,504	392,668	12,164
Florida.....	1,038,860	66,096	1,104,956	1,214,806	109,850
Georgia.....	944,416	56,088	1,000,504	1,001,504	1,000
Hawaii.....	128,607	4,554	133,161	133,161	-----
Idaho.....	157,748	10,098	167,846	186,102	18,256
Illinois.....	5,388,255	305,862	5,694,117	5,694,117	-----
Indiana.....	1,609,088	99,562	1,708,650	1,809,618	100,968
Iowa.....	1,352,822	78,954	1,431,776	1,431,776	-----
Kansas.....	757,819	46,070	803,889	830,992	27,103
Kentucky.....	1,137,327	68,906	1,206,233	1,241,457	35,224
Louisiana.....	470,911	-----	470,911	470,911	-----
Maine.....	242,025	14,672	256,697	264,220	7,523
Maryland.....	1,135,230	70,824	1,206,054	2,191,832	85,778
Maryland Department of Budget and Procedure.....	22,163	3,137	25,300	25,300	-----
Massachusetts.....	2,698,262	155,680	2,853,942	2,853,942	-----
Michigan.....	3,393,352	205,736	3,599,088	3,706,663	107,575
Minnesota.....	1,673,139	53,584	1,726,723	1,726,723	-----
Mississippi.....	903,503	56,190	959,693	1,023,745	64,052
Missouri.....	1,912,233	114,596	2,026,829	2,054,524	27,695
Montana.....	124,691	5,085	129,776	129,776	-----
Nebraska.....	336,569	19,973	356,542	356,542	-----
Nevada.....	51,182	3,181	54,363	57,544	3,181
New Hampshire.....	186,245	11,209	197,454	200,877	3,423
New Jersey.....	1,545,980	107,485	1,653,465	2,043,551	390,086
New Mexico.....	313,266	19,768	333,034	361,943	28,909
New York.....	8,395,800	506,459	8,902,259	9,104,966	202,707
New York Division of Standards and Purchases.....	138,500	1,428	139,928	139,928	-----
North Carolina.....	1,192,412	71,701	1,264,113	1,286,917	22,804
North Dakota.....	180,652	11,598	192,250	214,376	22,126
Ohio.....	3,516,999	217,586	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare.....	127,485	-----	127,485	127,485	-----
Oklahoma.....	785,057	47,235	832,292	847,925	15,633
Oregon.....	440,484	26,990	467,474	488,766	21,292
Pennsylvania.....	2,817,892	180,524	2,998,416	3,327,468	329,052
Rhode Island.....	288,414	18,390	306,804	337,883	31,079
South Carolina.....	433,497	27,592	461,089	507,370	46,281
South Carolina Dairy Commission.....	66,338	-----	66,338	66,338	-----
South Dakota.....	314,114	6,090	320,204	320,204	-----
Tennessee.....	1,475,871	60,767	1,536,638	1,536,638	-----
Tennessee Department of Agriculture.....	18,665	-----	18,665	18,665	-----
Texas.....	2,088,902	126,377	2,215,279	2,274,710	59,431
Utah.....	155,619	-----	155,619	155,619	-----

See footnotes at end of table, p 6.

6 INCREASED AUTHORIZATION FOR 1959 SCHOOL MILK PROGRAM

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959—Continued

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
State agencies—Continued					
Utah Department of Public Welfare.....	\$7, 175		\$7, 175	\$7, 175	
Vermont.....	143, 640	\$335	143, 975	143, 975	
Virginia.....	1, 221, 283	73, 042	1, 294, 325	1, 307, 975	\$13, 650
Washington.....	1, 038, 736	62, 992	1, 101, 728	1, 134, 620	32, 892
West Virginia.....	362, 280	3, 633	365, 913	365, 913	
Wisconsin.....	1, 987, 557	122, 076	2, 109, 633	2, 211, 730	102, 097
Wyoming.....	137, 898	8, 204	146, 102	146, 678	576
Total.....	65, 329, 588	3, 808, 383	69, 137, 971	72, 198, 230	3, 060, 259
Area offices: ³					
Northeast.....	852, 165	56, 588	908, 753	1, 058, 340	149, 587
Southeast.....	369, 547	22, 349	391, 896	402, 082	10, 186
Midwest.....	2, 713, 737	166, 533	2, 880, 270	3, 015, 916	135, 646
Southwest.....	630, 418		630, 418	630, 418	
West.....	337, 365	22, 227	359, 592	382, 483	22, 891
Total.....	4, 903, 232	267, 697	5, 170, 929	5, 489, 239	318, 310
Grand total.....	70, 232, 820	4, 076, 080	74, 308, 900	77, 687, 469	3, 378, 569

¹ Division of funds reflects adjustments made, following the February survey, to release funds from those State agencies which indicated that needs were less than previously scheduled payments.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

³ For program needs in schools and child-care institutions where program is not administered by a State agency.

⁴ Exclusive of funds reserved for Federal operating expenses.

HEARINGS

The committee had before it 13 bills authorizing an increase in the funds available for the special milk program. Some of these bills would have increased the available amount by \$5 million for the fiscal year 1959 only. Others would have increased the maximum by \$5 million in 1959 and \$10 million or \$15 million in the 2 subsequent fiscal years.

Bills considered by the committee were:

H.R. 5247 and H.R. 5248, by Mr. Johnson of Wisconsin.

H.R. 5407 and H.R. 5408, by Mr. Kasteumeier.

H.R. 5413, by Mr. Laird.

H.R. 5414, by Mr. Langen.

H.R. 5430, by Mr. Nelsen.

H.R. 5433, by Mr. Quie.

H.R. 5487, by Mr. Andersen of Minnesota.

H.R. 5600, by Mr. McGovern.

H.R. 5604, by Mr. Meyer.

H.R. 5613, by Mr. Brown of Missouri.

COMMITTEE AMENDMENT

The committee has reported the bill (H.R. 5247), by Mr. Johnson of Wisconsin, which would have increased the available funds for this program by \$5 million for the fiscal year 1959 only. It has amended this bill to provide an increase of \$3 million instead of the \$5 million in the bill as introduced.

It is the belief of the committee that some States may not use quite all the funds available to them so that there will be some small amount which can be allocated to other States, thus permitting the full program to be carried out with the \$3 million additional authorization contained in the bill as amended, although the State estimates add up to a deficit of approximately \$380,000 more than that amount.

The committee emphasizes that the additional \$3 million is merely an increase in the authorization and will be used only to the extent that the Secretary finds it necessary in order to carry out the program as presently scheduled.

DEPARTMENTAL POSITION

Witnesses for the Department of Agriculture appeared at the hearing on this matter and frankly outlined the rapid growth of the special milk program and the apparent need for more funds than presently provided to carry out this year's program. They did not request the additional authorization contained in this bill but held out the hope that the program could be contained within the present maximum authorization by adjustment or, if necessary, curtailment of the State programs.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

Public Law 85-478

85th Congress, S. 3342

July 1, 1958

AN ACT To continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for [each of the three fiscal years in the period beginning July 1, 1958, and ending June 30, 1961,] the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Amounts expended hereunder and under the authority contained in the last sentence of section 201(e) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.

Calendar No. 132

86TH CONGRESS
1ST SESSION

H. R. 5247

[Report No. 143]

IN THE SENATE OF THE UNITED STATES

MARCH 24, 1959

Received; read twice and referred to the Committee on Agriculture and Forestry

MARCH 24, 1959

Reported by Mr. JOHNSTON of South Carolina, without amendment

AN ACT

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal
5 year beginning July 1, 1958, not to exceed \$78,000,000,
6 and for each of the two fiscal years thereafter, not to exceed
7 \$75,000,000, of the funds of the Commodity Credit Corpora-
8 tion shall be used to increase the consumption of fluid milk
9 by children (1) in nonprofit schools of high school grade
10 and under; and (2) in nonprofit nursery schools, child-care
11 centers, settlement houses, summer camps, and similar non-

1 profit institutions devoted to the care and training of
2 children.”

Passed the House of Representatives March 23, 1959.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

MARCH 24, 1959

Received; read twice and referred to the Committee
on Agriculture and Forestry

MARCH 24, 1959

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of March 25, 1959
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HIGHLIGHTS: Senate passed bill to increase special milk program. House committee ordered reported bills to increase durum wheat allotments. Rep. Cooley criticized administration's farm policies. Sen. Keating inserted the Secretary's Cornell speech. Sen. Murray introduced and discussed bill to extend Federal programs in Alaska.

HOUSE

1. WHEAT ALLOTMENTS. The Wheat Subcommittee of the Agriculture Committee ordered reported with amendment to the full committee: H. R. 5443, providing for the appointment by the Secretary of a committee to study and recommend increases in durum wheat allotments; and H. R. 3436, to increase the durum wheat acreage allotments in North Dakota, Minnesota, Montana, South Dakota, and California. p. D210
2. ELECTRIFICATION. H. R. 1321, as reported by the House Government Operations Committee on Mar. 20 (see Digest 46), provides that the functions and activities of REA and of the Administrator of REA which were transferred to the Department and to the Secretary by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 shall be transferred to the Administrator of REA, to be exercised and administered within the Department by the Administrator under the general direction and supervision of the Secretary, except that insofar as such

functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary.

3. AGRICULTURE COMMITTEE. Agreed to H. Res. 216, to amend H. Res. 93, so as to authorize the Agriculture Committee to investigate matters outside the continental United States. The Rules Committee reported without amendment H. Res. 216 earlier in the day (H. Rept. 253). pp. 4711, 4743
 4. FAIR TRADE. Rep. Alger stated that "fair trade, as presently conceived, would destroy free enterprise, is unconstitutional, and would certainly violate State law." p. 4711
 5. EMPLOYMENT. Rep. Hechler urged enactment of area redevelopment legislation to help alleviate unemployment. p. 4731
 6. FORESTRY. Rep. Staggers urged wise use of our forest resources and development of a forest road system to allow access to forest areas for the purpose of removing good wood and planting new trees. pp. 4736-7
Rep. Abbitt urged enactment of his bill to provide for payments to States for the benefit of local governments based on the proceeds of timber sales located on military and naval reservations. pp. 4738-9
 7. RURAL DEVELOPMENT. Rep. Natcher praised the rural development program as "the soundest approach yet devised to gaining long-range economic development and growth in our rural towns and communities." pp. 4739-40
 8. PUERTO RICO. Resident Commissioner Fernos-Isern of Puerto Rico urged re-examination of the Federal Relations Act concerning the application of Federal laws to Puerto Rico. pp. 4732-4
 9. FLOOD CONTROL. Rep. Levering criticized the Administration for trying "to pressure us on the Hill to appropriate huge sums for foreign aid, but when it comes to some little projects out in my district (flood control aid), the answer in a nutshell, is 'Thumbs down.'" pp. 4740-1
 10. FOREIGN CURRENCIES. Received from the House Administration Committee a report showing the Armed Services Committee's use of foreign currencies for calendar year 1958. p. 4742
 11. LIVESTOCK. Received from the Texas State Legislature a memorial requesting a continuation of brand inspections by the Texas and Southwestern Cattle Raisers Association. p. 4744
 12. ADJOURNMENT. Agreed to H. Con. Res. 110, providing that when the two Houses adjourn on Thursday, Mar. 26, 1959, they stand adjourned until 12 o'clock Tuesday, April 7, 1959. p. 4724
- SENATE
-
13. MILK. Passed without amendment H. R. 5247, to increase by \$3,000,000 the authorized maximum expenditure for the fiscal year 1959 under the special milk program. p. 4695
 14. UNEMPLOYMENT COMPENSATION. Both Houses agreed to the conference report on H. R. 5640, to extend the temporary unemployment compensation program (H. Rept. 257).

are receiving a subsidy at the expense of the gold mining industry through the enviable position of producing for 1959 prices from raw material available at a fixed 1934 cost.

Gold has essentially two uses; as a commodity, and as money or a monetary stock. This bill is not to change the monetary gold stock of the Nation other than to restrict it from affecting the commodity price of gold by being brought into competition for the internal commercial market. The rules established by the Treasury under the authorization of the Gold Reserve Act of 1934 as to the ownership, transportation, sale or Treasury purchase price of gold would not be affected. Provisions as to importation or exportation would be unchanged. Because of this the value of the dollar in international transactions would not be influenced adversely.

The intent of this bill is with relation to the marketing of gold in its use as a commodity. The passage of this measure would enable gold produced domestically to compete for the industrial and artistic market and to establish a competitive price reflecting the expense of producing gold under the labor and operating costs of today. In this way the gold mining industries would be able to receive a price for their product commensurate with the cost of production and a stimulus would be injected into the depressed mining industry.

Mr. President, there are again a number of bills concerning gold before the Congress. I have a great deal of interest in the bill, S. 590, introduced by Chairman MURRAY, to establish a completely free market for gold. I have some concern about the possible inflationary aspects of that bill, but if thorough investigation indicates that inflation is not a significant problem, I would support that legislation. I hope that in the ensuing discussions of the problems related to gold, if the monetary and fiscal ramifications of the Murray bill make it unpalatable to a majority of this Congress, the Congress will consider the possibility of a limited free market for gold, as provided in this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD and that it remain at the desk until March 30, so that Senators who may wish to do so may join as cosponsors of it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1539) to prohibit sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all gold held or bought by the United States

Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and no gold shall hereafter be sold by the Treasury or by the Federal Reserve banks, or for the account of the Treasury or of such banks, directly or indirectly, in the United States, its Territories or possessions, for the purpose of depressing the market in gold or lessening the price and value of gold.

REQUEST FOR YEAS AND NAYS ON EASTER RECESS RESOLUTION

Mr. BRIDGES. Mr. President, I ask unanimous consent that when the resolution for an Easter recess comes before the Senate, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I object.
The PRESIDING OFFICER. Objection is heard.

INCREASED MAXIMUM EXPENDITURE UNDER THE SPECIAL MILK PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 643, Calendar No. 100, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 132, House bill 5247.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I am delighted that the acting majority leader has moved to take up House bill 5247. It is necessary that the Senate act quickly on this measure, in order that some American schools may continue to provide needed milk for their school children.

Mr. MANSFIELD. Mr. President, the purpose of this bill is to increase by \$3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85-478. The law now authorizes the use of not to exceed \$75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to \$78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent nec-

essary to continue the program at its present level.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. First, let me say that it is my understanding that the Department of Agriculture has interposed no objection to the proposed legislation; but in order that the RECORD may be clear, I ask my friend, the able acting majority leader, to confirm this statement: Is it not true that this bill, if enacted, will not require any additional appropriation?

Mr. MANSFIELD. That is correct.

Moreover, the bill was reported unanimously by both the House and Senate committees.

Mr. KUCHEL. I thank my friend.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BRIDGES. May I ask the Senator the explain briefly what the bill proposes to do?

Mr. MANSFIELD. I have explained that previously. The purpose of the bill is to increase by \$3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program previously authorized. The proposed legislation is permissive.

Mr. BRIDGES. I thank the Senator. I do not want any legislation to go through in the closing minutes of this session today unless it is unquestionably meritorious. I think probably this proposed legislation is, and I interpose no objection.

Mr. MANSFIELD. As usual, the Senator is very watchful of the public purse.

This bill was cleared with the minority leadership and the minority members of the Committee on Agriculture and Forestry before it was brought up. It is in line with our statement that we would bring up nothing for a vote aside from the unemployment compensation bill, which was the pending business. We announced that nothing of a controversial nature would be brought up.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 5247) was ordered to a third reading, read the third time, and passed.

PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases.....	2,050	2,221	2,889	3,610
Persons.....	8,858	9,650	12,731	16,267
Children.....	6,817	7,385	9,733	12,509
Average grant:				
Per family per month...	\$109.39	\$114.08	\$123.24	\$146.71
Per person per month...	\$25.32	\$26.26	\$27.97	\$32.56
Old age assistance:				
Cases.....	3,064	2,980	3,131	3,135
Average grant per month.....	\$53.61	\$56.51	\$56.13	\$60.09

	Monthly grant, percent change per case, 1956-59	Increase in monthly grant, 1956-59
ADC:		
Family.....	134.1	\$37.32
Person.....	129.6	7.24
OAA (case).....	112.1	6.48

NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

I am sure however, that none of us is laboring under the misapprehension that

what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings, the harvest of humanity to man is far in the future. Much remains to be done.

It should be a matter of common sense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

Marian C. Behr, in the School Executive, reported, for example: "Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievement tests, the ones serving a balanced lunch to most of their children invariably have the highest scores."

Jane M. Leichsenring, in the Minnesota Journal of Education, stated: "In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent."

House Report 684, 79th Congress, in 1945, reported:

"U.S. CONGRESS—HOUSE COMMITTEE ON AGRICULTURE—SCHOOL LUNCH PROGRAM

(Report to accompany H.R. 3370, Washington, U.S. Government Printing Office, 1945 (79th Cong., 1st sess., House Report No. 684, pp. 2, 9))

"Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development, but in their educational progress. This improvement takes place on all income levels, inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished yet not hungry.

* * * * *

"EXHIBIT A—WAR FOOD ADMINISTRATION, COMMODITY CREDIT CORPORATION (OS)

"Effects of school lunch upon scholastic status, Camden, Mo.

	Scholastic grade points ¹			Per cent change
	With-out lunch, 1938-39	With-out lunch, 1939-40	With lunch, 1939-40	
Group I (52 children)....	1,056	1,055	-----	-0.09
Group II (75 children)....	1,614	-----	1,763	9.23

"Effect of school lunch upon attendance, Camden, Mo.

	Percent daily attendance of enrollment			Gain in percent attendance
	With-out lunch, 1938-39	With-out lunch, 1939-40	With lunch, 1939-40	
Group I (10 schools).....	69.18	70.54	-----	1.361
Group II (10 schools).....	79.99	-----	84.34	13.35

¹ "A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0."

I do not wish unduly to prolong this line of testimony, Mr. Chairman, and I shall conclude with a citation from a study carried on in an adjoining State.

"Todhunter, Elizabeth Neige. 'Everyday Nutrition for School Children'. University of Alabama, Extension Division, 1949, pages 42-43.

"Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, Group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests. "Diet does make a difference.

"Diet makes a difference in both old and young but more particularly in the growing child."

Having laid this basis, I now pose the question: Granted that an adequate diet will improve the learning situation, to what extent ought the lunch program in the District elementary schools be expanded?

Seven hundred are now being given cold lunches on a pilot program from voluntary contributions. The Commissioners are asking that the program be limited to 1,000 children. The Board of Education asks you for funds to meet the need of 7,000 children. In arriving at your determination, I ask you to be mindful of the fact that there are, according to a study made by Gizella Huber, the economic consultant to the Junior Village project, 11,520 families with 45,775 children living in the District, whose family income is less than \$3,000 per year.

A table incorporated in our hungry children hearings is of especial significance in this regard. Of 285 non-public-assistance families certified for surplus food in September, 27 families had no income because both parents were unemployed. In 48 families the mother was the head and she was unemployed and there was no income. I submit the full analysis for your inspection, with the thought that children being cared for by aunts and grandmothers whose own income is about \$60 to \$69 a month might very possibly need a free lunch at school.

In these matters, I hope that the subcommittee will, as a minimum, provide the funds requested by the school authorities for this program, because in my judgment, far more than public assistance children need and can profitably use the free school lunch.

Public Law 86-10
86th Congress, H. R. 5247
April 3, 1959

AN ACT

To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

Milk program.

7 USC 1446

note.

73 Stat. 15.

73 Stat. 16.

Approved April 3, 1959.

